

April 29, 2008



**TRANSCRIPT
April 29, 2008**

MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Michael Knapp, President
Councilmember Roger Berliner
Councilmember Valerie Ervin
Councilmember George Leventhal

Councilmember Phil Andrews, Vice President
Councilmember Marc Elrich
Councilmember Nancy Floreen
Councilmember Duchy Trachtenberg



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1
2 President Knapp,

3 Good morning, everyone. Thank you all for joining us this morning. We'll begin our
4 morning session with invocation led by Jennie Kellogg, Spiritual Assembly of Baha'I of
5 Montgomery County in Gaithersburg. I would ask you all to please rise in joining us for
6 the invocation. Ms. Kellogg.

7
8 Jennie Kellogg,

9 Oh my God, oh my God, unit the hearts of thy servants and reveal to them thy great
10 purpose. May they follow thy commandments and abide in thy law. Help them, oh God,
11 in their endeavor, and grant them strength to serve thee. Oh God, leave them not to
12 themselves but guide their steps by the light of thy knowledge, and cheer their hearts by
13 thy love. Verily, thou art their helper and their lord.

14
15 President Knapp,

16 Thank you very much. We now have a couple of presentations this morning. I'm doing
17 the first one on behalf of the County Executive and myself. I would ask Mr. Rocky
18 Twyman to come up and join me and his guests. Come on up, Kate. This is National
19 Volunteer Week, and we are recognizing volunteers throughout the County. We're
20 actually having a service -- an activity this evening. But this is a special recognition for --
21 we have folks that volunteer in lots of areas. We do stream/valley cleanups, we do
22 coaching of basketball teams. Pick the areas. We have volunteers in all aspects of our
23 community that makes Montgomery County a wonderful place. Mr. Twyman has taken
24 that a step beyond. In addition to kind of the more traditional types of volunteering, he
25 has also managed to, over the last 15 years, to convince people to sign up for a bone
26 marrow donor registry list. And you want to talk about volunteering and really feeling
27 committed to people and humanity, if you can convince people to sign up for that, you
28 have really taken it a step above and beyond.

29
30 Rocky Twyman,

31 Well thank you.

32
33 President Knapp,

34 And so it is with great pleasure and pride that I have an opportunity today, on behalf of
35 the County Executive and myself, to issue this joint proclamation on behalf of
36 Montgomery County, which reads, Whereas, the Congressional Medal of Honor
37 Society's newly created Above and Beyond Honors Award represents the first time all
38 107 living Medal of Honor recipients have banded together to create a national platform
39 to promote and honor service before self; and, Whereas, the thousands of nominees for
40 the award prove that we have among us many American heroes who literally change
41 the world by performing extraordinary acts of selfless courage, dedication and sacrifice
42 in civilian life, that if they were in uniform would warrant consideration for receipt of the
43 Medal of Honor; and, Whereas, one of those heroes is bone marrow activist and
44 Rockville resident Rocky Twyman, who is among 51 finalists for the Above and Beyond



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1 Award, and is the sole finalist representing the State of Maryland; and, Whereas, since
2 1992 Rocky Twyman has helped to recruit nearly 14,000 minorities in the National Bone
3 Marrow Registry improving the chances for lifesaving matches for minorities suffering
4 with bone marrow cancers, leukemia and lupus; and, Whereas, April 27, through May 3,
5 2008, is National Volunteer week. Now therefore do we, Isiah Leggett as County
6 Executive, and Michael Knapp as Council President, do hereby proclaim Tuesday, April
7 29, 2008, as Rocky Twyman Day in Montgomery County. We encourage all of our
8 residents to join with us in saluting Rocky Twyman for his outstanding contributions, and
9 to participate in appropriate volunteer activities in recognition of volunteer week. Signed
10 this 29th day of April in the year 2008, Isiah Leggett and Michael Knapp. I'm going to
11 give you a chance to introduce all of your guests too.

12
13 Rocky Twyman,

14 My real name is Rockefeller Luvic Twyman, and I just want you to know today that if I
15 had a million dollars I'd give it to this Council so that they could balance this budget.

16
17 President Knapp,

18 We wish a millions dollars would do it.

19
20 Rocky Twyman,

21 But there's a song I love. It goes; he gives me victory of yes. He opens doors for me, oh
22 yes. Oh what a mighty God we serve. I just want to say it is a real and mighty God that
23 has enabled me to go all over the country and recruit almost 14,000 minority donors to
24 the National Bone Marrow Registry. And today I want to show you some of the fruits of
25 our work. First of all we have Ms. Mertine Moore who received a bone marrow
26 transplant. I just want her to briefly just say a little something. And my dear classmate
27 over there, Brenda Joseph, would you please come up. We've known each other since
28 the first grade.

29
30 Mertine Moore,

31 Hello. In 1999 I was diagnosed as chronic mylogenous leukemia, and it was determined
32 fairly quickly, within a week, that I would have to have a bone marrow transplant in order
33 to live. So I was able to -- I have seven siblings, so fortunately for me, my third sibling
34 tested was my perfect match. So I was able to go into NIH -- National Institute of Health.
35 I live there for a year with the chemo and radiation. And I'm here alive because I was
36 able to receive a bone marrow transplant. So I thank my Lord and Savior, Jesus Christ,
37 for saving me to do the work that I'm here to do working with young people in fashion
38 and public relations. Thank you.

39
40 Rocky Twyman,

41 Amen. And now we have Ms. Danae Hilliard and her wonderful son. I'm just going to let
42 her briefly just say something. This young man needed a bone marrow transplant, and
43 we worked together and we were able to find one for him. And this is a wonderful lady
44 here. She -- okay, you just do your thing darling.



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Danae Hilliard,

Good morning everybody. And it's a pleasure to be here sharing this day with Mr. Twyman. Two years ago I was told my son was diagnosed with ALL leukemia. He was a ninth-grader in high school playing football. Up until his next to the last game, he became ill. I was told that he also needed bone marrow transplant, and my family and my siblings were not a match for him, so we had to find a non-related donor. I will tell you Rocky is definitely God's gift. He gave a call on the phone one day and told me to meet him down at the MCI building. I had no clue as to what I was in for in reference to registering people to help save my son's life. When I got down to the MCI building, Mr. Rocky had flyers. We were also dressed according to the game that was played at the MCI Center.

Rocky Twyman,
George Mason University.

Danae Hilliard,

The George Mason game, thank you. We were actually dressed in the same colors not knowing that that was the team that was playing. He led my efforts in finding a donor for my son. Not only that, he led -- he showed me the way. He gave me the spirit. He gave me the strength of watching him. And by doing that, he showed me what I needed to do to get out to get people to join the registry to save my son's life. And here we have two years in remission, my son Ramon Hilliard, who is back at Northwestern High School playing football. I thank God for Mr. Twyman.

Rocky Twyman,

Thank you so much. In conclusion, I just want to thank my sister, Electa Gear. She serves as my publicist and make sure that I get where I'm supposed to get to. And then my dear nephew here, he always gives me encouragement -- Kada Gear. He's in the area of biotechnology here. And just all these wonderful friends that came out today; Tijuana Griffin, Zerita Thomas, Sister Reeves, Brenda Joseph, and Sharon Plummer. And I just want to end up by saying this is our day. A harvest of hope is waiting. This is our day. The morning light is breaking. The challenges in [inaudible] for this great Council is a bold one. And we shall see victory if we work, and hope, and pray, in this our glorious day. Long live the Montgomery County Council and the residents of Montgomery County. All right.

President Knapp,
Let's do a picture. Don't leave.

Rocky Twyman,

Oh, I wanted to just say that my PR Company - We've started another program called Pray Down the High Gas Prices. I just got back from San Francisco. We did a big thing out there. We're having people pray at the pump. It seems like that's the only thing



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1 that's going to work at this point. Before you go, I would just like to make a statement to
2 Channel 7 here. They have been with us through thick and thin. Vince Vaughn, the
3 Assignment Editor there; Shelly Simpson, Greg Nicholas; they have really supported
4 these drives. Darrell Cowher and Ms. Maureen Bunyon, could you give them a big
5 hand. They sent their reporter out today.

6
7 President Knapp,

8 We now have a second proclamation. A recognition of the Volunteer Mentor Group of
9 Springbrook High School, and Rising Starts Mentor Group of Broad Acres Elementary
10 School by Councilmember Andrews and Councilmember Ervin.

11
12 Vice President Andrews,

13 Please join us up here. Nice to see you. Good morning. Okay. Good morning,
14 everybody. One of the great pleasures is listening to all the wonderful things being done
15 in Montgomery County, and to be part of a morning like this. And I'm pleased to be
16 joined by Councilmember Ervin and by a group of mentors and mentees (sic); mentors
17 from Springbrook High School and mentees from Broad Acres Elementary School. Will
18 Johnson from the Department of Recreation. James Aldrich from Springbrook High
19 School, good to see you. Marie San Sebastian, Vice Principal at Broad Acres. And John
20 Smith who is the Chair of the County's Task Force on Mentoring, and his able staff and
21 board are representatives.

22
23 John Smith,

24 [Inaudible] and Joy Raffey. Where's Tiffany?

25
26 Tiffany,

27 I'm right here.

28
29 Vice President Andrews,

30 Okay, good nice to see you too.

31
32 Tiffany,

33 Hello. Nice to see you.

34
35 Vice President Andrews,

36 There's great work being done all over this County, and today we are here to recognize
37 this particular mentoring program that involves Springbrook High students and Broad
38 Acres Elementary School students. And I'm going to read a proclamation to thank the
39 Springbrook High mentors, who are doing great work and helping their colleagues, their
40 fellow students who are a few years behind them from Broad Acres, get off to a good
41 start. So I'll read that, and Councilmember Ervin is going to read the proclamation for --
42 to recognize and honor the Broad Acres mentees. The County Council of Montgomery
43 County, Maryland, proclaims, Whereas, a select member of Springbrook High School
44 students have volunteered to be mentors to a group of students at Broad Acres



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1 Elementary School; and, Whereas, the Springbrook High School mentors are helping
2 the Broad Acres Elementary School mentees complete homework assignments,
3 improve their vocabulary skills, improve their speaking skills, increase the mathematic
4 skills and grades, and are teaching them the value of making and keeping positive
5 friendships; and, Whereas, the Springbrook mentors as helping the Broad Acres
6 mentees to learn how to improve their school lives and their community lives, and are
7 making a valuable contribution to the lives of the Broad Acres mentees; and, Whereas,
8 the Springbrook mentors are helping the Broad Acres mentees learn that in improving
9 their lives at Broad Acres Elementary School and the mentees are growing as
10 responsible citizens of their school and home communities. Now, therefore, be it
11 resolved that the County Council of Montgomery County hereby congratulates the
12 students of Springbrook High School Volunteer Mentor Group; and be it further resolved
13 that the County Council takes this opportunity to thank the Springbrook High School
14 mentors, the Broad Acres Elementary School administration, the Springbrook High
15 School administration, the task force on mentoring of Montgomery County, which is all
16 volunteer group in terms of being independent of the county government; and the
17 Montgomery County Recreation Department for being a part of this most significant
18 mentoring collaboration. Presented this 29th day of April, 2008. Signed by Michael
19 Knapp, Council President. Thank you very much for the great work that you are doing.
20

21 Councilmember Ervin,
22 Can we do them together?
23

24 Vice President Andrews,
25 Yes, let's do that.
26

27 Councilmember Ervin,
28 I'd like to bring John Smith up to the table. I just want everyone to know that John Smith
29 is one of those giants among all of us. He's an unsung hero.
30

31 John Smith,
32 I'll pay you later.
33

34 Councilmember Ervin,
35 You can pay me later. And John Smith has had me involved in a lot of things since I met
36 him about five years ago; and one of them is this wonderful program to get high school
37 students involved in mentoring their younger peers. So we were recently at Broad Acres
38 Elementary School together. It was a fabulous, fabulous day we spent there. And I have
39 beside me Devante, who, I think, is one of the young giants among us. And we are so
40 proud of the work that these mentees do, and what they do for the young students at
41 Broad Acres. Broad Acres is one of the most highly impacted schools in our entire
42 County. And the work they do in this school is incredible and amazing. And I have to
43 say for Devante, who said he'd like to hold the proclamation while I read it, when we
44 visited the school he was an ambassador, as were some of the other young people



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1 standing behind me; he knew more about the County Council than I did. So he gave me
2 a little lesson. He knew about my district. And I am so proud to present this
3 proclamation on behalf of the County Council to Broad Acres Elementary. Whereas,
4 being a student in school requires hard work, the ability to stay focused, and the
5 determination to get good grades; and, Whereas, one of the greatest paths to success
6 at most endeavors in life is a desire to learn from others who have previously been
7 down a similar path and are now willing to share their experiences of success and
8 failure; and, Whereas, students at Broad Acres Elementary School are active
9 participants in a mentoring program called Rising Stars that provides those students
10 with important tools and teachings to help them reach their goals and academic
11 success; and, Whereas, raising their academic performance, improving their school
12 behavior, and learning lessons that will help them deal with difficult situations that may
13 be school-related or just life in general-related, are all important elements for students in
14 Rising Stars; and, Whereas, the Rising Stars participants are determined to improve
15 their ability to complete homework assignments, special project assignments and
16 classroom assignments, and they are pledged to further improve their daily attendance
17 and their ability to make and keep positive friendships. Now, therefore, be it resolved
18 that the County Council of Montgomery County hereby congratulates the students of the
19 Broad Acres Elementary School Rising Stars Mentor Group; and be it further resolved
20 that the County Council take this opportunity to thank the Broad Acres Elementary
21 School administration, the task force on mentoring of Montgomery County, the
22 Montgomery County Rec Department and the school administration at Springbrook High
23 School for their collaboration in developing and implementing this outstanding
24 mentoring program. Presented on this 29th day of April in the year of 2008; signed by
25 Michael J. Knapp, Council President. I think that Devante should address the Rising
26 Stars on behalf of his fellow students.

27
28 Devante Gatewood,

29 The Rising Stars helped me a lot in school, and it helped me to, like, learn more and to
30 help just learn about Ms. Valerie Ervin and the Council. And I would like to thank
31 everybody who helped me with everything, and our assistant principal for signing me
32 up. And I'm happy to be here.

33
34 Beulah Eriawarien,

35 My name is Beulah, and I'm a mentor for Rising Stars. And on behalf of my other
36 mentors, I'd like to thank you guys for this proclamation. And also thank the mentees for
37 the opportunity to help them in their schoolwork after school.

38
39 John Smith,

40 This is really payback time, because Val came to Broad Acres and then Val said this
41 whole group, including the high school and the elementary school kids should come to
42 the County Council. And then we said well they ought to be rewarded, and the reward,
43 of course, is the proclamation. The thing I think is real important and I think you need to
44 be aware of it, is that the task force of mentoring has a focus now, which means



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1 essentially we want to train high school students to mentor students at middle school
2 and elementary school. Louise San Sebastian, who is the Assistant Principal there, we
3 spent hours and hours putting this program together. We worked very hard to get it
4 organized, and you see the fruits of the labor of this endeavor. The other thing I want to
5 say is that we really need to recognize Sports Academy, because Sports Academy
6 we've had discussions up here about Sports Academy and whether or not Sports
7 Academy is delivering what it is supposed to deliver. Well many of these youngsters are
8 -- from the high school level are in Sports Academy. We have another program at Blair
9 High School that mentors the youngsters -- the ESOL youngsters at Silver Spring
10 International Middle School. We also train them. We're a believer in training the high
11 school students to do the mentoring, because the adults don't always, you know, come
12 up to the plate; I'll put it that way. But I really want to congratulate every single one of
13 them, because the work has been enormous and the fruits of the endeavors are right
14 before your very eyes.

15
16 Councilmember Ervin,

17 I have one quick comment to make. And that is for those who don't know, there is not
18 PTA at Broad Acres Elementary School; although they're trying very hard to get a PTA
19 started. When you don't have a PTA this group of incredibly committed young people
20 are stepping in where parents cannot be. Because for many reasons, because it's a
21 highly impacted neighborhood those parents are working two or three jobs to make
22 ends meet. So we need to all step-up to the plate, because these are the young giants
23 that we're trying to help in our community. So I just wanted to make that comment just
24 so folks knew.

25
26 Vice President Andrews,

27 Good comment. John, if there is someone out there in the audience who would like to
28 become a mentor, how can they contact to do it.

29
30 John Smith,

31 All they have to do is call Adele or call Joy, and the telephone number is 301-333-0330.
32 Or you can call Phil or call me.

33
34 Vice President Andrews,

35 All right. Okay, well thank you all for your great work, and congratulations, guys. Now
36 here's the hardest part, is all getting in the picture at the same time. So let's get the
37 elementary students up front.

38
39 President Knapp,

40 Thank you, Councilmember Andrews, Councilmember Ervin, for your sponsorship of a
41 wonderful proclamation and a wonderful, and highlighting that for us this morning. Okay
42 we now turn to Council's General Business. We begin with announcements and
43 acknowledgements; Ms. Lauer, if you can get here.



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1 Linda Lauer,
2 You just have one change this week; T&E tomorrow is canceled. The committee will
3 meet on Friday at 2:00 instead. That's it. Thank you.

4
5 President Knapp,
6 Thank you very much.

7
8 Linda Lauer,
9 And no petitions.

10
11 President Knapp,
12 And no petitions; we like that. Okay. Madam Clerk, approval of the minutes.

13
14 Council Clerk,
15 You have the minutes of April 15th for approval.

16
17 President Knapp,
18 Is there a motion?

19
20 Councilmember Ervin,
21 Move approval.

22
23 President Knapp,
24 Moved by Councilmember Ervin.

25
26 Councilmember Trachtenberg,
27 Seconded.

28
29 President Knapp,
30 Seconded by Councilmember Trachtenberg. All in support of the minutes of April 15,
31 2008, indicate by raising your hand. Mr. Elrich? That is unanimous. Thank you very
32 much. We now turn to the Consent Calendar; is there a motion?

33
34 Vice President Andrews,
35 So moved.

36
37 President Knapp,
38 Moved by Council Vice President Andrews.

39
40 Councilmember Leventhal,
41 Second.

42
43 President Knapp,



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1 Seconded by Councilmember Leventhal. Is there a discussion on the Consent
2 Calendar? I see none. All in support of the Consent Calendar indicate by raising your
3 hand. That is unanimous. Thank you very much. We now turn to District Council
4 session. Action on the consideration of Hearing Examiner's report and
5 recommendations on Application number G-873. Do we have a Hearing Examiner? We
6 don't have a Hearing Examiner. That's going to be a challenge. We're actually a little
7 behind. We'll wait just one second. Let's see. Well, let's move ahead to, while were still
8 in District Council session, we'll come back to that. We have a couple of actions.

9
10 Unidentified,
11 He's here.

12
13 President Knapp,
14 Okay, well as long as we're here. Let them get situated. We have an Item B Action. We
15 have Resolution to Establish Public Hearing for June 10, 2008, at 7:30 p.m. on an
16 amendment to the Master Plan for Historic Preservation for Damascus-Goshen
17 Resources. We need a motion.

18
19 Councilmember Leventhal,
20 Let's have a public hearing.

21
22 President Knapp,
23 Thank you, Mr. Leventhal. Is there a second?

24
25 Councilmember Ervin,
26 Second.

27
28 President Knapp,
29 Seconded by Councilmember Ervin. All in support of having a public hearing on the
30 Damascus-Goshen Resources Historic Preservation Master Plan indicate by raising
31 your hand? I believe that's unanimous; Mr. Elrich. That is unanimous. Thank you very
32 much. And we then have introduction of four -- three ZTA's and one subdivision
33 regulation amendment, which I will announcement and then we can move them all to
34 hearing with one single motion. So the first is introduction of Subdivision Regulation
35 Amendment 08-01, Alternative Review Committee -- Functions, sponsored by the
36 District Council at the request of the County Executive. We have the introduction of
37 Zoning Text Amendment 08-07, Alternative Review Committee - Functions, sponsored
38 by District Council at the request of the County Executive. We have introduction of
39 Zoning Text Amendment 08-08, Fenton Street Overlay Zone -- Workforce Housing
40 Heights, sponsored by the District Council at the request of the County Executive. And
41 introduction of Zoning Text Amendment 08-09, Industrial Zones -- Health Clubs,
42 sponsored by the Council President. And for each of those, we have a resolution to
43 establish a public hearing for June 17th at 1:30 p.m. Is there a motion?
44



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1 Councilmember Berliner,
2 Moved.

3
4 Councilmember Floreen,
5 So moved.

6
7 President Knapp,
8 Moved by Councilmember Berliner. Seconded by Councilmember Floreen. All in
9 support of establishing a public hearing indicate by raising your hand. That is
10 unanimous. Thank you very much. And we will now turn back to action and
11 consideration of Hearing Examiner's report and recommendations, Application number
12 G-873. Ms. Carrier.

13
14 Francoise Carrier,
15 Good morning.

16
17 President Knapp,
18 Good morning.

19
20 Francoise Carrier,
21 Thank you for waiting.

22
23 President Knapp,
24 That's okay. We got a little work done.

25
26 Francoise Carrier,
27 This application comes to you with recommendations of approval from myself, the
28 Planning Board, and technical staff. And I'll be happy to answer any questions you may
29 have.

30
31 Councilmember Berliner,
32 That's it?

33
34 President Knapp,
35 That's it.

36
37 Councilmember Berliner,
38 That's the presentation?

39
40 President Knapp,
41 Councilmember Floreen.

42
43 Councilmember Berliner,
44 One hundred fifty-three pages, okay.



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Councilmember Floreen,

Thank you. I have a question on circle 16 of the resolution; it calls for the applicant here to contribute to a facility supporting the trail to be determined at site plan.

Francoise Carrier,
Yes.

Councilmember Floreen,
That's a little vague.

Francoise Carrier,
Well um -- .

Councilmember Floreen,
I mean, is this cash? Is this -- apparently there was some disagreement based on the [inaudible].

Francoise Carrier,
Yeah, the way it transpired was that the technical staff originally had requested that the applicant donate land -- maybe it wasn't land, it may have been paying for the paving -- to create eight parking spaces that would be near the entrance to the trail. And when the community got wind of this, specifically the Capital Trail Coalition, they instituted a letter-writing campaign and appeared, apparently, in numbers at the Planning Board meeting stating that they felt that parking spaces were a very bad idea; that they didn't want more pavement in that area of the trail; and that it would not necessarily be -- the parking spaces would not necessarily be used by people who were using the trail.

Councilmember Floreen,
Yes.

Francoise Carrier,
So the Planning Board recommended that the applicant remove those parking spaces from the trail and that something else would be identified at the time of site plan. I guess in my view I felt comfortable leaving that decision to the Planning Board with the knowledge that the Capital Crescent Trail would be likely to participate with technical staff in designing some kind of amenity that would be, you know, useful for the users of the trail.

Councilmember Floreen,
So it's understood that this will be some sort of planting -- ?

Francoise Carrier,
Let me look through this. There was some testimony -- .



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1
2 Councilmember Floreen,
3 Seeding -- there is no -- I mean there's very little along this trails that attractive and
4 comfortable.

5
6 Francoise Carrier,
7 Yeah, there was some testimony -- .

8
9 Councilmember Floreen,
10 And I think that's a good thing. I just wanted to be -- .

11
12 Francoise Carrier,
13 There was some testimony from Patricia -- .

14
15 Councilmember Floreen,
16 Certain that we knew -- people knew what the idea was.

17
18 Francoise Carrier,
19 Yeah. There was some testimony from Patricia Baptist. Let me look and see if she
20 suggested anything particular. She outlined the history that I just told you of what
21 happened and how this came to be. I have a recollection that didn't -- may put it in a
22 summary. I have recollection of somebody stating that there has been discussion of
23 having like a fountain or a seating area, that there isn't anything like that in this part of
24 the trail.

25
26 Councilmember Floreen,
27 There certainly isn't.

28
29 Francoise Carrier,
30 And that's something that the applicant could pay for or contribute to. So I think that's
31 what people had in mind when this was added.

32
33 Councilmember Floreen,
34 This facility sounds like a structure or -- .

35
36 President Knapp,
37 Gazebo.

38
39 Councilmember Floreen,
40 Well, it's not at all clear. Okay. But you believe that the record is sufficiently understood
41 that this is an amenity.

42
43 Francoise Carrier,
44 I think, yes.



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1
2 Councilmember Floreen,
3 That will be agreed to by the community as part of the trail experience.

4
5 Francoise Carrier,
6 Yes, that was my strong impression.

7
8 Councilmember Floreen,
9 Okay. And you think that this direction is clearly understood by the Planning Board?

10
11 Francoise Carrier,
12 Oh, yes. That was certainly my impression as well.

13
14 Councilmember Floreen,
15 Okay, thanks.

16
17 President Knapp,
18 Okay.

19
20 Councilmember Floreen,
21 I'll move approval.

22
23 President Knapp,
24 Councilmember Berliner; then I'll come back to you.

25
26 Councilmember Berliner,
27 Thank you, Council President. This was quite the cast of characters before you in terms
28 of the communities that were involved.

29
30 Francoise Carrier,
31 Indeed.

32
33 Councilmember Berliner,
34 Do I understand that there was general concurrence from the community
35 representatives with respect to this outcome?

36
37 Francoise Carrier,
38 Yes. There was apparently an agreement -- there is a written agreement which I have
39 not seen between the Citizens Coordinating Committee for Friendship Heights and the
40 applicant. And I believe -- I am reading a little bit between the lines, but my sense is that
41 on the strength of that agreement, people in the community felt comfortable supporting
42 this application. The only concern they have is traffic, and people have strong hopes
43 that a traffic light will be approved at Landy Lane and River Road that would improve
44 traffic problems they are currently experiencing.



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Councilmember Berliner,

And I would refer you to page -- circle 9 of the document, in which it says that the chances of success in obtaining approval for the traffic light, you mention, "would be enhanced if the District Council were state its support for a light in the context of this rezoning application." Can staff advise me as to our capacity to do such a thing in this resolution, or as the draft as drafted, does it do that, staff?

Francoise Carrier,

As the drafter, I could give you my view, but I'll let your staff speak.

Councilmember Berliner,

Well, I'm happy to take all views.

President Knapp,

If this is how we get traffic lights, this is good to know. We need a new strategy.

Councilmember Berliner,

I want to be supportive. I'd like to know how one does this.

Jeff Zyontz,

First of all the traffic people will tell you it's a traffic signal, not a traffic light.

Councilmember Berliner,

Thank you. I appreciate that clarification.

Jeff Zyontz,

But in any event, it's purely advisory in this matter. It doesn't do anything on the warrant side, technically, to get the state to agree.

Councilmember Berliner,

And does the language before us provide that advisory direction?

Jeff Zyontz,

I think you'll have multiple opportunities to advise the district engineer.

Francoise Carrier,

The statement that you read, Councilmember Berliner, is one from the Council for the Citizen's Coordinating Committee on Friendship Heights. It was his position that it would help if the Council endorsed it. I drafted this in an effort to support the concept of the traffic light without going farther than I felt the evidence really supported. We don't have any evidence of like a warrant study. Normally we have a study that has been done that shows the number of pedestrians or vehicle trips that warrant having a traffic light. We have had that in other cases. In this case they haven't gotten to that stage. And I went



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1 as far as I personally, as a lawyer, felt comfortable with the Council putting in an
2 endorsement based on the limited evidence in front of us. We did have conflicting
3 opinions from the traffic experts.

4
5 Councilmember Berliner,
6 Could we speak to that also, because I was struck by your language with respect to the
7 traffic evidence that had been put in by the applicant originally. Perhaps you can find the
8 precise quote, but I think sadly (sic), misguide -- .

9
10 Francoise Carrier,
11 Misinformed was the word that I used.

12
13 Councilmember Berliner,
14 Yes, but you had an adjective even before the misinformed.

15
16 Francoise Carrier,
17 Oh, did I? Yeah, I should be careful with adjectives.

18
19 Councilmember Berliner,
20 Adjectives are -- .

21
22 Francoise Carrier,
23 Might have been surprisingly misinformed?

24
25 Councilmember Berliner,
26 Yeah, it was a fairly strong statement, and I raise that because my colleagues and I will
27 be grappling with the proper role of the Office of People's Council, in which the issue is
28 often, how does one rebut the evidence of an applicant with respect to traffic. And in this
29 instance, the community was well represented by council, and was in a position to do
30 so. But that's not often or always the case. There are many communities who are not
31 represented. And this was one of those classic situations where the applicant came in
32 with traffic information that was really -- .

33
34 Francoise Carrier,
35 Well, I did use the phrase "sadly misinformed."

36
37 Councilmember Berliner,
38 Sadly misinformed.

39
40 Francoise Carrier,
41 But only as to one point. It was a situation that I have encountered occasionally where
42 the witness who comes from a company, whether it's a traffic company or any other
43 kind of consultant, sometimes the witness is a person who is at a high level in the firm
44 and did not necessarily do the actual work. And so they don't necessarily know very



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1 small details. And I'm such a detail person that they're sometimes surprised by the level
2 of detailed questions that I may ask. Actually read the reports -- .

3
4 Councilmember Berliner,

5 My understanding was that you had asked them to go back and pro -- that they had
6 done a different analysis, and then when they came and shared with you their different
7 analysis, it was considerably higher traffic.

8
9 Francoise Carrier,

10 Yeah, you know, during the hearing the witness said that she believed that the number -
11 - the alternative analysis they had done, which was based on the actual current traffic,
12 was roughly the same as what the LATR trip generation rates came up with. And well,
13 you know, they submitted after hearing, and it wasn't close.

14
15 Councilmember Berliner,

16 It wasn't close.

17
18 Francoise Carrier,

19 So I sent it back to technical staff and they made them do some more counts, and they
20 came up with what I thought was much improved analysis of the situation. And it still
21 supported approval at this stage. I felt, you know, I was uncomfortable initially because
22 of the conflicting evidence. I was uncomfortable making a recommendation, so I went
23 back to technical staff and I asked them to look at what I had gotten, which they had not
24 originally seen. And I was satisfied with the outcome after the professionals at Park and
25 Planning had them do some work on it that it was adequately reviewed.

26
27 Councilmember Berliner,

28 My understanding also is that this is one of those situations in which actually, from a
29 storm water environmental perspective, this development results in a net-plus insofar as
30 there is going to be less impervious surface as opposed to more.

31
32 Francoise Carrier,

33 Yes.

34
35 Councilmember Berliner,

36 So we have more density, but we're taking out a lot of asphalt and putting in a lot of
37 grass. And so from an environmental perspective this seems to be a net-plus; is that
38 your conclusion as well?

39
40 Francoise Carrier,

41 Yes, it certainly does seem to be a plus for the very reasons you've stated; taking out a
42 lot of parking lots and putting in a nice big green field.

43
44 Councilmember Berliner,



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1 So we have your support, Park and Planning's support, technical support, the
2 community is on board; it's a net environmental benefit. I think this is something we can
3 go forward with. Thank you, Council President.

4
5 President Knapp,
6 Thank you.

7
8 Councilmember Berliner,
9 I, as the district representative, I would be happy to move approval of this hearing.

10
11 President Knapp,
12 We have a motion to approve the Hearing Examiner's report and recommendation by
13 Councilmember Berliner.

14
15 Councilmember Floreen,
16 Seconded.

17
18 President Knapp,
19 Seconded by Councilmember Floreen. Madam Clerk, if you would call the roll.

20
21 Council Clerk,
22 Mr. Elrich.

23
24 Councilmember Elrich,
25 Yes.

26
27 Council Clerk,
28 Ms. Floreen.

29
30 Councilmember Floreen,
31 Yes.

32
33 Council Clerk,
34 Ms. Trachtenberg.

35
36 Councilmember Trachtenberg,
37 Yes.

38
39 Council Clerk,
40 Mr. Leventhal.

41
42 Councilmember Leventhal,
43 Yes.



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1 Council Clerk,
2 Ms. Ervin.

3
4 Councilmember Ervin,
5 Yes.

6
7 Council Clerk,
8 Mr. Berliner.

9
10 Councilmember Berliner,
11 Yes.

12
13 Council Clerk,
14 Mr. Andrews.

15
16 Vice President Andrews,
17 Yes.

18
19 Council Clerk,
20 Mr. Knapp.

21
22 President Knapp,
23 Yes. The Hearing Examiner's report and recommendation are approved; thank you very
24 much. We now turn to a briefing on County Property Use Study, including the Public
25 Safety Training Academy, Liquor Warehouse, Service Park relocations; and I think
26 Assistant CAO Ms. Schwartz-Jones is leading the discussion.

27
28 President Knapp,
29 Okay, General Holmes. And for the benefit of those viewing, if you all would just take a
30 moment to introduce yourselves so people have a name to go with the face that they
31 see.

32
33 Art Holmes,
34 Good morning. For the record, I'm Art Holmes, Director of the Department of Public
35 Works and Transportation. This morning I'll ask DWPT and Diane Schwartz-Jones,
36 Assistant CAO, will brief you on some changes the County Executive has approved for
37 the County Property Use Study. Changes that will be discussed result from concerns
38 and recommendations made by you, the Council, in additional real estate opportunities
39 which have materialized over the recent weeks. Primary changes involve relocation and
40 consolidation of some public safety activities and relocation of activities or facilities
41 currently located at Crabbs Branch Service Park to be more in compliance with the
42 Shady Grove sector plan. Diane, Al.

43
44 Diane Schwartz-Jones,



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1 Thank you. Diane Schwartz-Jones, Assistant Chief Administrative Officer from the
2 County Executive's Office. We wanted to come back to the Council and brief you on
3 where we are on this County Property Use initiative. We had come to you back, I
4 believe, it was in early February, and reported to you what our initial studies were and
5 what our initial findings were, and the feasibility of trying to implement the Shady Grove
6 sector plan, trying to address some very major, looming capital expenditures that we
7 knew we needed to make in a number of public facilities. And so we laid out some
8 alternatives to you. And we know that there were concerns raised about the separating
9 of the functions of the Public Safety Training Academy. As Mr. Holmes has mentioned,
10 there were some opportunities became available to us on sites that we thought were not
11 on the table for consideration, but as it turns out, they are on the table. And so we think
12 that we have a much better plan that we'd like to put in front of the Council. We think it
13 will meet our objectives on a long-term basis. And we have a number of very important
14 public objectives, one of which is, of course, to implement the Shady Grove sector plan
15 for the transit-oriented development, the urban village that's planned off of Crabbs
16 Branch Parkway. The other is to create and to -- to protect and recognize the
17 investment that we -- the County have made in the Shady Grove Life Sciences Center
18 area to allow us to become competitive and allow Maryland to become a leader in life
19 sciences pursuant to strategic plans that are being developed both at the State level
20 and the County is working on. We've begun work on our own strategic plan for
21 economic development as it relates to the life sciences and tying in facilities in other
22 locations in the County as well. Utilizing existing infrastructure -- excuse me, existing
23 assets that we have in order to leverage them to get what we need in terms of new
24 facilities, better facilities, facilities that better meet our needs, and will meet our needs
25 into the next several decades. And to reduce our reliance on leased space, which we
26 have quite a heavy lease burden now. Those are sort of our overall -- overarching
27 objectives we're trying to accomplish. And with that, Mr. Roshdieh will walk you through
28 the new plan.

29
30 Al Roshdieh,

31 Thank you, Diane. For the record, my name is Al Roshdieh. I'm Deputy Director of the
32 Department of Public Works and Transportation. Let me take you through these
33 [inaudible] shots first to orient you with these two sites. The Public Safety Training
34 Academy current site with the function that is currently is in there. The alternative plan is
35 to move the Public Safety Memorial to the GE Tech site; and I will show you in future
36 slides where it's going -- where we have chosen the site for that. The Public Safety
37 Training Academy, the driving tracks, urban search and rescue, burn building,
38 classroom, firing range, gym and helo pad. Everything associated with Public Safety
39 Training Academy will move into [inaudible]. Travilah fire station, a stand alone, will
40 remain at this site. Crabbs Branch site -- Department of Liquor Control will move into
41 Finmarc site. EMOC, which includes the transit fleet and highway, will go into Casey 6 &
42 7. MCPS bus and depot are still going to Gude Landfill. Radio Shop will go to Facilities
43 Maintenance at 7 Locks Shop. There is a fairly large site that we have over there, and
44 we feel that it will fit in that site. MCPS food warehouse at the Crabbs Branch is going to



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1 Webb Track. Now the other functions that we have, police headquarters [inaudible]
2 Research Boulevard, will go to GE Tech Park. Department of Fire and Rescue
3 administrative offices and executive office building is scheduled to go there. Department
4 of Homeland Security offices and Board of Election and First District Police Station is 7
5 Locks Road. Now because we took out the classrooms out of the GE Tech Park
6 building, it creates an opportunity for us to consolidate more leases into this building.
7 We are looking at about 100,000 square feet. Can we go to the next slide? The current
8 Public Safety Training Academy, 52 acres, just to orient you, Great Seneca Highway,
9 Key West, and, of course, Route 28 is not shown here. We chose about four acres in
10 communication with Chief Carr for a location of a stand alone fire station, and that will
11 be the location. In the Crabbs Branch Service Park, 92-acre, the functions that are there
12 is Liquor Control, MCPS food, and of course, Highway Depot and Transit and Fleet
13 EMOC here. Park and Planning Maintenance site facility is basically here. Radio Shop
14 is tucked in back there, a small building. And MCPS bus depot is taking the majority of
15 the east side of this site. For the landfill, we are using 35 acres of this site, which is
16 usable, for constructing a bus depot for MCPS -- no change. Poolesville is no longer
17 under consideration because we consolidate everything at the Webb Track. In the GE
18 building in just listed here, which you can see on this map, we are utilizing the existing
19 building. Public Safety Memorial will go in front of the Lake Placid facing the Route 28.
20 And the functions, I already mentioned to you, is all going over here, including some
21 other leases that we are working to look at, value leases that we have and we can
22 consolidate in this building. Finmarc is a 36-acre parcel. Actually, there are two parcels
23 a total of 36 acres. Existing warehouse is a perfect size for Liquor Control. No changes,
24 and we'll utilize that for Liquor Control warehouses. Webb Track -- Webb Track is our
25 approved plan -- this is our approved plan for the development It shows all the industrial
26 uses or building paths that they have gone through the Park and Planning and the
27 process. What we did, we look at if we move the entire Public Safety Training Academy,
28 how much land do we need. I asked my staff and planners to do a massing of the site to
29 see how much land, first of all, that we need if we consolidate everything on this site.
30 And also, we evaluated food warehouse. Of course, location of these buildings is just
31 the conceptual; it was really for the purpose of massing and understanding how much
32 land do we need. So we actually need about 29 acres to consolidate into the entire
33 PSTA, which includes all the classes, gym, firing range, the burn building, the two tracks
34 -- existing two tracks, and of course, parking lots and so forth. And also food warehouse
35 now the interesting thing is the current plan shows nine pad or nine industrial buildings
36 at this site that we are going to be EMOC basically two buildings; one is the classrooms
37 and the other one for food warehouse. Now [inaudible] mark, which is currently here
38 within the highway, transit and fleet; right across the street from Shady Grove
39 continuation of Crabbs Branch, there are two properties, Casey 6 and Casey 7. Casey 7
40 is the right size for moving the transit and fleet. It actually helps us in the distance from
41 metro, because 85% of our buses travels actually to metro station; so from that point of
42 view it was a great plan that could be materialized. Of course, we have to do an efficient
43 design so we can probably use a structure parking employee. On this side of the 370
44 the State Highway Administration has already acquired this property or in the process of



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1 acquiring for their ICC construction depot. The remaining of the site will be sufficient for
2 our highway depot. And also, of course, there is a day laborer that is on a trailer that will
3 be relocated to here too. Now alternative plan timeline -- the GE building with all the
4 functions that is going in there, we have started our communication with the property
5 owner beginning of this calendar year. And we are anticipating that our negotiation will
6 be completed by September of '09 -- acquisition, I'm sorry -- negotiation and acquisition
7 by -- . And then the design and construction is starting in 9-1-08, and ending 9-1-10,
8 and occupancy taking place in January of '11. The Finmarc, DOC, same thing, we have
9 started our communication with property owners and beginning in January, and we
10 anticipate that the settlement will take place at September of '10. Design construction is
11 starting in June of '09, and construction ends at 6-30, or June 30th of '11; and
12 occupancy by October of '11. Facilities maintenance at Seven Locks is our property
13 radio shop. Our timeline is to start design and construction of January '09, and take
14 occupancy on July of '11. Casey 6 & 7 for EMOC; the property is vacant right now. We
15 anticipate to start our communication with property owner on May, and be completed by
16 October of '09 for settlement. Start design in September of '08, and complete the
17 construction on March of '11, and move in on June of '11. Webb Track, which has all
18 the components of Public Safety Training Academy and food warehouse; started our
19 communication in May of '08, and do the transaction in 6-30 of '10. Design and
20 construction starts in December of '08, and complete construction in December of '11;
21 and occupancy in May of '12. Park and Planning Maintenance, we did not determine
22 any site for them. I think among all the functions that we have in Service Park, we felt
23 that that was the easiest one to find a location for them within the inventory of the parks
24 and county, we can come up with a site that can accommodate the 9 or 10 acres that
25 they need for this function. So we're going to be communicating with them to see -- for
26 find a location for that. However, assuming that they go to a property-owned site that we
27 own, design and construction starts in January of '09 and complete in March of '11, and
28 occupancy in July of '11. That concludes my presentation.

29
30 President Knapp,

31 Okay. Great. Thank you very much. As you might imagine, there are a couple
32 questions; Councilmember Floreen.

33
34 Councilmember Floreen,

35 Okay, so how much does this cost?

36
37 Al Roshdieh,

38 It is still our financial analysis indicates that it is still cost neutral.

39
40 Councilmember Floreen,

41 Cost neutral.

42
43 Diane Schwartz-Jones,



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1 Meaning that between the land values that we have for which we will be disposing some
2 of them, for example, out of the County Service Park, and ultimately the PSTA site,
3 meaning the appropriations that have already been proposed for various facilities and
4 facilities that needed to be improved and that were in the near future planning. When
5 you look at all of those numbers together it comes out to be cost neutral.

6
7 Councilmember Floreen,
8 So you're saying that we have looked everything -- any County expenditure is already
9 approved in the current CIP?

10
11 Diane Schwartz-Jones,
12 No. No, that's not what we're saying. And also avoided payments for lease payments as
13 well. There will be extensive avoided lease payments.

14
15 Councilmember Floreen,
16 So there is some financial obligation of some sort.

17
18 Diane Schwartz-Jones,
19 There will be. It's a timing question.

20
21 Councilmember Floreen,
22 Indeed.

23
24 Diane Schwartz-Jones,
25 It will be a timing -- but there may be -- and the finance plan is being worked on right
26 now by our Department of Finance. But we recognize that there may be -- we'll have to
27 go out ahead for some funds in order to effectuate the purchases on some, knowing
28 that the dispositions are coming right on the heels of those in order to offset those
29 purchases.

30
31 Councilmember Floreen,
32 So basically you'll be selling the property -- the Shady Grove property for the density
33 that's been approved there. There are no exchanges? That's what had been anticipated
34 at one point.

35
36 Diane Schwartz-Jones,
37 In the timing will not work for a straight exchange that you would be thinking of where
38 you go to closing and you would exchange, we would provide a deed to one property
39 owner and the other property owner would provide the deed to us. But the commitments
40 for, you know, in terms -- at least with one of the property owners as we're going
41 through our discussions, may be very well that a portion of the County Service Park
42 would be commitment to one -- to that developer a portion of it, and we would get that
43 property in return. But we would have to pay at the time of closing, and that property
44 owner would then be paying us at the time of closing.



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1
2 Councilmember Floreen,
3 But in terms of the -- at one point there had been, as we worked with the Shady Grove
4 plan, the desire -- mine really was that a private sector would actually, for example, with
5 EMOC, we actually construct EMOC for us in exchange for the underlying land where it
6 currently sets.

7
8 Diane Schwartz-Jones,
9 We recognize -- .

10
11 Councilmember Floreen,
12 This is not the deal at this point?

13
14 Diane Schwartz-Jones,
15 It's not the deal at this point. But we're not far off from it in terms of where we will end
16 up, hopefully, at a similar place. The problem is, is that we didn't get the responses the
17 way that it had been envisioned, but we are still able, I think, to hold true to what the
18 objective was in a similar way. Not the same way, but a similar way.

19
20 Councilmember Floreen,
21 Is the market really there to support the density at Shady Grove and the values that
22 were assumed to underwrite all this?

23
24 Diane Schwartz-Jones,
25 I believe that it's there, and if it's not there now, it will be over time. This is something
26 that's going to be a staged development. We're talking about a huge site.

27
28 Councilmember Floreen,
29 Well, exactly. But the timeline you have out there shows us spending quite a bit of
30 money early on. We're saying cost neutral is that we'll be reimbursed at some later
31 point.

32
33 Al Roshdieh,
34 That is precisely true.

35
36 Councilmember Floreen,
37 Can we afford this?

38
39 Diane Schwartz-Jones,
40 We are working with the -- .

41
42 Councilmember Floreen,
43 Short-term debt, huh?



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1 Diane Schwartz-Jones,
2 We are working on the financing plan, which we obviously will be bringing back to you.
3 I'm not going to say, you know, I don't want to say exactly what the financing plan will
4 be.
5
6 Councilmember Floreen,
7 I mean this must cost -- .
8
9 Diane Schwartz-Jones,
10 We are working on it.
11
12 Councilmember Floreen,
13 A billion dollars to do all this, to acquire and build, at least for the EMOC. You can just
14 acquire land -- you're going to use the existing buildings at the GE Park; is that -- .
15
16 Al Roshdieh,
17 That is correct.
18
19 Councilmember Floreen,
20 So where there's no outside visual change for the surrounding community up there; is
21 that right?
22
23 Al Roshdieh,
24 No -- yes.
25
26 Diane Schwartz-Jones,
27 Not for GE Park nor for Finmarc -- well GE Tech [inaudible].
28
29 Councilmember Floreen,
30 For those -- those buildings are going to stay; you're not adding anything new. It's just
31 different uses.
32
33 Al Roshdieh,
34 Except that we are -- our plan is to put the Public Safety Memorial in front of the lake.
35
36 Councilmember Floreen,
37 In front, yeah.
38
39 Al Roshdieh,
40 That's the only difference.
41
42 Councilmember Floreen,
43 A modest change to the landscape. The Webb Tract, that's a big operation to move
44 Public Safety operations up there.



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1
2 Diane Schwartz-Jones,

3 That's correct. And the Council, there has already been a PDF for 24 million, was it?

4
5 Al Roshdieh,

6 Yes. When we say cost neutral as Diane indicated, there are various components. One
7 is the value of the properties that we are going to enjoy in terms of, for example, the
8 current PSTA if it sold we have a value for that. The service park has a value. Now we
9 are purchasing a bunch of properties; at the same time we are doing some
10 improvement in these properties. There are existing CIP's that it's already on the book,
11 such as, for example, Liquor Warehouse, there was a CIP.

12
13 Councilmember Floreen,

14 That was in.

15
16 Al Roshdieh,

17 One of the EMOC, there is a current CIP. And furthermore, as a result of consolidating
18 these leases in the GE building is the lease payments that we are not going to make to
19 the -- so it can toward fund. So there is a net present value for those things.

20
21 Councilmember Floreen,

22 I can appreciate that. But when will we see the fiscal plan, and how does it stack up
23 against the budget that we're in the middle of working on. I mean, you're looking at
24 expenditures starting in '09; right?

25
26 Al Roshdieh,

27 [Inaudible].

28
29 Diane Schwartz-Jones,

30 For land acquisition, yes.

31
32 Councilmember Floreen,

33 Yeah. And -- .

34
35 Al Roshdieh,

36 All the acquisition, if you go to that -- most of them will take place -- the big one will take
37 place in, yes, in '09.

38
39 Councilmember Floreen,

40 '09, yeah.

41
42 Al Roshdieh,

43 '09 and '10.



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1 Councilmember Floreen,
2 So you're not looking at land transfers so much in this?

3
4 Al Roshdieh,
5 In one case in the GE or communication is for exchange.

6
7 Councilmember Floreen,
8 In exchange.

9
10 Al Roshdieh,
11 Yes.

12
13 Councilmember Floreen,
14 So we wouldn't be out-of-pocket?

15
16 Al Roshdieh,
17 We might be out-of-pocket for a short term, because -- .

18
19 Councilmember Floreen,
20 Same way.

21
22 Al Roshdieh,
23 Yeah.

24
25 Diane Schwartz-Jones,
26 It would be for short term we will be because of the timing; that's correct. But that's the
27 way that we would expect it to work. If it could work that the exchange could -- an
28 exchange could be contemporaneous that would be very good. We're not sure that that
29 would work though, so we're still working on that with the property seller.

30
31 Councilmember Floreen,
32 Is the money for EMOC -- I still feel bad about EMOC because we've delayed it for so
33 long. Is the money for that in the current CIP?

34
35 Al Roshdieh,
36 There is a small amount in the CIP. It's not full appropriation because the project was
37 put on hold pending this.

38
39 Councilmember Floreen,
40 Right.

41
42 Al Roshdieh,
43 And I need to add one other thing. On the Casey side, at least, there is an overlay of --
44 residential overlay with 340 units. And under the Sector Plan, that density could be



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1 transferred to the Service Park. Of course, I believe that expire -- or at least there was a
2 sunset date of January of '08, and we may have to come and ask for extension of that
3 date from the Council.

4
5 Councilmember Floreen,
6 Make a few little planning adjustments.

7
8 Al Roshdieh,
9 Yes.

10
11 Councilmember Floreen,
12 But you're saying -- so we would have to appropriate more money. Well the fiscal plan
13 we need to see.

14
15 Diane Schwartz-Jones,
16 We need to come back to you with a fiscal plan.

17
18 Al Roshdieh,
19 Yes, [inaudible].

20
21 Diane Schwartz-Jones,
22 We don't want to speculate on what it is right now.

23
24 Councilmember Floreen,
25 Sure.

26
27 Diane Schwartz-Jones,
28 We're putting a lot of thought to it. We're working on it. And I don't want to throw out
29 ideas that may not be accurate.

30
31 Councilmember Floreen,
32 Fair enough. And when do you think you'll have that?

33
34 Diane Schwartz-Jones,
35 Soon.

36
37 Al Roshdieh,
38 Well we can come with the financial analysis if you want that level of detail, we probably
39 -- we need to talk to the Director of Finance.

40
41 Councilmember Floreen,
42 But we can do that in closed session if that's necessary. But I think I'd certainly feel a lot
43 more comfortable about this if I knew the timing and how it fit in with everything else we
44 are facing. I mean, our CIP, we've delayed school projects, roads, a lot. And so to sort



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1 of add on a whole new set of obligations in this middle of this is a little, or course,
2 disconcerting.

3
4 Diane Schwartz-Jones,
5 We understand that, and that's why we're working hard to make sure that the way these
6 obligations are being put out there that there's the ability to back-fill them financially so
7 that it will end up in a neutral position. Or better than neutral.

8
9 Councilmember Floreen,
10 So we'll see this soon?

11
12 Al Roshdieh,
13 Yes, ma'am.

14
15 President Knapp,
16 Councilmember Leventhal.

17
18 Councilmember Leventhal,
19 I think Councilmember Floreen's questions are very much on point. And although I like a
20 lot of what of what I've heard today, and I appreciate that modifications have been made
21 to the earlier plan in response to the feedback that was received. So I congratulate the
22 administration for the careful thought. There's a lot of moving parts here. And, you
23 know, generally I'd say wow this is -- makes much sense. I think Councilmember
24 Floreen's points about priorities bear some thought; and her point about the market.
25 That is, this was driven in large part by the decision of the Council to adopt a Shady
26 Grove Sector Plan that concentrated density at Metro. If the market is not in a place
27 right now where adding a whole lot of housing units at Metro makes sense this year,
28 next year or the year after, it does bear some thought as to whether in the face of
29 delaying new high schools, delaying road projects, some of the intersection
30 improvements, some of the things that we had to delay in the CIP, whether doing this
31 right now is the most urgent public priority. So it's something to think about in terms of
32 timing, particularly where the market is at. Because what we wouldn't want is we end up
33 getting rid of the Shady Grove-Crabbs Branch acreage at a fire sale price because the
34 market is bad, or giving up the opportunity to achieve important public purposes like
35 affordable housing at that site, which some day again will be immensely valuable but
36 today maybe not so much. And so if -- since we have that county-owned acreage today
37 and we all know the Shady Grove Master Plan, you know, increases its value, we also
38 want to utilize our leverage to achieve public purposes. We don't want to just give away
39 the store with that acreage. I want to ask how community outreach has been done
40 regarding this new plan, which I think is improved. I read all my constituent email and
41 there's been a lot of concern. And I know the administration is very acutely sensitive to
42 public opinion in the Kentlands and the Lakelands from the city of Gaithersburg. We
43 haven't yet heard from the folks in East Montgomery Village about uses of the Webb
44 Tract; at least I haven't. But I assure you we will. The users of the air park; these are all



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1 communities that we've heard from quite a bit, and these plans will have an effect on
2 those four specific communities; there may be others. But could I just ask what -- let me
3 just ask my question. What is Mr. Leggett's plan; again, I know he's a great listener -- to
4 listen to the concerns of people in the Kentlands, the Lakelands, the city of
5 Gaithersburg, the neighbors adjacent to the Webb Tract in East Montgomery Village,
6 and the users of the air park?

7
8 Diane Schwartz-Jones,

9 Well the plan is, of course, to listen to the communities. We went out there, and frankly I
10 think we went out probably earlier than we should have in order to be responsive,
11 because there was a lot of leg work that still needed to be done. But because of
12 financial timing on certain projects that were under consideration, we were sort of forced
13 to go out a little earlier than we otherwise would have. We have met a couple of times
14 now with the Mayor and his staff for the city of Gaithersburg. We're going to be going
15 back to them again in May. And we actually committed to do a work session with the
16 Mayor and Council in May. And we intend to have regular meetings with the Mayor to
17 help him and his staff monitor what is going on and how it's being implemented. That's
18 number one. With respect to the community, we went out to the Kentlands Citizen's
19 Assembly before this revised plan had come about. And following that meeting, you
20 know, we listened to the community, we heard their concerns. So we understood where
21 we had our own issues that we needed to resolve. We came up with this plan. The
22 County Executive blessed it. It happened to have been literally within an hour of an
23 anticipated meeting with the Lakelands community. And so we did advise the Lakelands
24 community about this proposed alternative. We do intend to go back to the Kentlands
25 Citizen's Assembly. There were -- at the Lakelands meeting, there was an active
26 member of the Kentlands Citizen's Assembly there as -- there was also a member of the
27 Council -- the City of Gaithersburg Council. We met last week -- the end of last week
28 with some of the civic leaders, including the East Montgomery Village Foundation, and
29 Derwood, some other members of the community. And we have meetings scheduled
30 scattered throughout the month of May to do community outreach. And we intend to
31 continue with that. We recognize that with respect to -- in particular with respect to the
32 PSTA that we do -- there's more community work that we want to do to make sure that
33 we are placing facilities properly and in the best way that we can. Because as Al has
34 assured these communities over and over again, we want to be a good neighbor.

35
36 Councilmember Leventhal,

37 It's kind of an elegant solution to put the helo pad next to the Air Park. I like that piece of
38 it. Because we had, as you know, there had been other proposals for use of the land
39 next to the Air Park that were not compatible. What about the Air Park users?

40
41 Diane Schwartz-Jones,

42 The Air Park users, I met with Keith Miller. I can't remember at this point if it was -- I
43 think it must have been the end of last week. It must have been Friday. But we've



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1 spoken with Keith Miller. And when I spoke with Keith, we agreed that we would go out
2 and meet with the Air Park users.

3
4 Councilmember Leventhal,
5 Pilots -- you can talk to the pilots.

6
7 Diane Schwartz-Jones,
8 We will talk to the pilots. And we are going to take Keith around to see different facilities.
9 But we think that -- we think we have a good plan. And we think that it addresses a
10 whole lot of concerns.

11
12 Councilmember Leventhal,
13 Okay. Are you planning to use the ALARF to acquire any of this land?

14
15 Diane Schwartz-Jones,
16 We'll come back to you on how we're going to go about that.

17
18 Councilmember Leventhal,
19 And what would be the Council's decision points here? What are the junctures at which
20 the Council will have to raise its hand and sign off on any of this?

21
22 Diane Schwartz-Jones,
23 It would be on funding. We'll come back to you with supplemental requests,
24 supplemental appropriations as we need. And those would be the points for the Council
25 for the -- I would call them [inaudible] points.

26
27 Councilmember Leventhal,
28 Okay, thanks. I appreciate the hard work that's gone into this.

29
30 President Knapp,
31 Council Vice President Andrews.

32
33 Vice President Andrews,
34 Thank you, President Knapp. Well thank you very much. I agree with Councilmember
35 Leventhal; a lot of hard work has gone into this. And I think you have come back with a
36 better plan. As you know, I was -- shared concerns with the Public Safety Committee
37 members, Council President Knapp, and Councilmember Elrich, about the original plan
38 to break up the functions at the Public Service Training Academy and put some of them
39 at the GE site and some out in Poolesville, which none of us thought would work well
40 because of the need to have the functions integrated for training purposes and the
41 distance that Poolesville is from most of the County. I think it was also very problematic
42 to -- it would have been to have a burn building or a helo pad on the GE site. So
43 keeping the PSTA together was crucial, but not only keeping it together but continue to
44 have it in a central location was crucial. And I think the Webb Tract appears to



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1 accomplish that. So I'm interested in what the traffic studies show. My understanding is
2 that you're proposing a less intense overall use on the Webb Tract than is currently
3 approved. And that could be built now. And so that may actually result in a better traffic
4 outcome than would be the case if the current approved zoning went forward -- of uses
5 went forward. But I think the traffic studies are important that are anticipated for the
6 Webb Tract and for the GE site. There is certainly concern about how traffic flow might
7 change with the relocation of the liquor warehouse to the existing warehouse on the
8 Finmarc site, and whether there would be a significant difference in the traffic impact of
9 having the liquor warehouse versus the current peapod giant use that's in that
10 warehouse. My understanding is that you're proposing to use the same buildings on the
11 GE site and Finmarc site that are there now, not to add any buildings other than a
12 memorial, which is not a building, for the fallen public safety heroes in this County,
13 which would be in front of the lake, which I think is a very good location for a memorial.
14 The finance plans certainly are going to be very important that Councilmember Floreen
15 asked about. I know that you've had some meetings with Gaithersburg city officials. It's
16 very important that that continue, and there continue to be active consultation or
17 communication with community associations, which I know you've begun. But you've
18 come back with a plan that certainly is better than the first one in terms of how it deals
19 with the Public Service Training Academy. There's no question about that. And it is
20 crucial -- that was so crucial to this, because we have to have a very effective Public
21 Safety Training Academy; and a rebuilt one would result in more efficient and higher
22 quality building than renovating the current facilities. So I see the advantage there. It's
23 also crucial to get going as soon as we can on these standalone fire station that would
24 now be a standalone but would remain on the Public Safety Training Academy grounds
25 that are there now, because that is in the middle of several of our busiest fire stations
26 and would fill an important hole. And that is something that needs to move forward as
27 quickly as we can get going on it. So I look forward to hearing about the finance plan, as
28 I know my colleagues do. But I think you've come back with a better plan that reflects a
29 lot of work, and the details will be crucial. But I appreciate the hard work and
30 responsiveness I see going into that. And while I have no doubt that there will be folks
31 who will take issue with portions of the plan; I think it reflects a careful balancing of
32 uses, and distributes a lot of the service locations -- the facilities at the service park now
33 to locations that are not concentrated. So I think you've come back with a plan that is
34 worthy of a lot of consideration. And I look forward to the finance plan that you'll be
35 coming back with soon.

36
37 President Knapp,
38 Councilmember Elrich.

39
40 Councilmember Elrich,
41 I just wanted to thank you all, both for listening to concerns raised by the Public Safety
42 Committee, but also for the listening to the concerns raised by the community, and for
43 staying flexible in how you approached this looking for other solutions. I think some of
44 us were concerned that we were dealing only with the chess pieces that were originally



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1 put on the table. And I think your willingness to continue to look at other opportunities
2 and come up with a plan that I agree with Phil is very sustainable. I think a lot of us have
3 been frustrated by the pace of the project at the Public Safety Training Academy than
4 the things we expected. This may be one of those times when the outcome is worth the
5 wait. This may let us do a lot of things that we would not otherwise be able to do. As
6 always, I guess the devil is always going to be in the details and how this finance plan
7 works out. I think it's critical that whatever you do to not crowd out the Capital Budget,
8 because we have I think strained mightily to figure out what we can do over the next six
9 years at \$300 million a year. We identified \$361 million in projects that ought to be built
10 that we don't have money for. We don't need more delay in those projects either. And
11 so I think it's incumbent on coming up with a financing plan that lets us stay on track for
12 all the other services and things the County residents expect, as well as taking the steps
13 that you're looking at taking here. I think in the long run we probably save money on this
14 deal. It's certainly a more compact operating situation. I'd much prefer the County
15 owning their buildings than leasing their buildings. I think that puts us in a much stronger
16 position in the long term. And I really look forward to this discussion continuing. I
17 thought that, you know, there's been some discussion of traffic. And I was glad to see
18 already that you had had some analysis and thought given to the warehouse issue at
19 the GE Tech Park -- Finmarc -- it's the Finmarc building, and also at the Webb Tract.
20 And I was particularly impressed or comforted by the fact that the truck volume out of
21 the liquor warehouse does not seem to be terribly high; probably not higher than what
22 runs out of the peapod in terms of the number of deliveries that they both have going in,
23 and the trucks that wind up going out. So it seems that you've actually been very
24 forward in your thinking. And I think in terms of the community, it is critical that you --
25 you go into these meetings with the community knowing answers in advance. None of
26 us should be caught flatfooted. I think we all know what to expect in the way of
27 questions. And the better prepared you are when you walk in I think the more likely you
28 are to get a good reception. So I look forward to this thing moving forward quickly.

29
30 President Knapp,

31 Well I too thank you for your efforts and listening. I think what you've put before us is a
32 much improved plan. The communication piece is going to continue to be a challenge. I
33 was just trying to make notes of all the people that you've said you've talked to and all
34 the people you still need to talk to, and that's going to be hard. You've got a lot of
35 moving parts here. To that end, have you had conversations with the school system as
36 it relates to the food services area?

37
38 Diane Schwartz-Jones,

39 We have. We've spoken with the food services. I also had [inaudible] spoke with
40 Poolesville. We went out and we met with Poolesville. And after the outcome of this
41 meeting about a week and a half ago we spoke with them.

42
43 President Knapp,

44 They were relieved?



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1
2 Diane Schwartz-Jones,

3 They were a big mess. Mr. Coleman was very happy. But we have spoken with MCPS.
4 We actually had several, I guess maybe two months ago -- two and a half months ago,
5 we had a group of -- a kickoff meeting with, I would call it the stakeholders, the various
6 interests that have pieces in play. And we're going to be having another meeting --
7 we're setting up another meeting with our stakeholders, continuing to engage them. Al
8 and his staff are working on -- with the stakeholders on their programs of requirements
9 to make sure that we know exactly what their needs are. And there's going to be some
10 level of conversation that continues around that as well.

11
12 President Knapp,

13 Okay. I would like to echo the sentiments as it relates to financing and the market. But I
14 think that -- Mr. Elrich kind of alluded to this a little bit and I think it's something we need
15 to continue to pay attention to, is many of the activities that are identified to be moved
16 were already activities as you know that have already been scheduled to have
17 something done. And so what this now does -- and it may be a better long-term
18 outcome, but it still potentially delays needed activities. And the liquor warehouse is one
19 significant one. I think they needed to legitimately move or be expanded four or five
20 years ago. And so now we're, if I remember that one, that's still four years before --
21 three years before that would even be accomplished. So we have some real individual
22 needs that need to get met. And so one of the things we want to continue to be careful
23 of is now this -- if this moves forward, this becomes a great big project which is going to
24 be important to kind of keep moving, but to not lose sight of the individual important
25 projects which really need to get done to make the delivery of services and the County
26 continue to operate well. And so I think we're going to need to continue to balance that.
27 And I think that's going to be one of the challenges we'll have, whether it's this iteration
28 or a next iteration is the complexity of this. I see Mr. Dice right over your shoulder,
29 Diane, and as we have, you know, now just established our new Department of General
30 Services, which I think is significant, which had many issues in and of itself to try to
31 make sure that we get our capital projects moving forward in the right direction. And to
32 take a project of this magnitude in addition to just kind of the basic fundamental things
33 that we need to get worked on is big. That's a big challenge. And so you've got a lot of
34 coordination, a lot of complexity, a lot of moving parts, the ongoing delivery of services,
35 of existing activities, to try and all come together and keep them all moving at the same
36 time. And so I think it's a very ambitious, forward-thinking plan. I like that. But there's
37 also the stuff we need to do today. We need to figure out how to keep that working while
38 at the same time improving our delivery on our capital projects, while also trying to
39 figure out how we take this great big thing that has a lot of moving parts and put that
40 together and do that at the same time. And so I think that's going to require a lot of
41 communication on both sides of the street out to the community as to what the timing is,
42 the plan, the various supplementals, how we do the financing. I mean, it's going to --
43 we're going to have a very clear communication plan and strategy both internal to
44 county government and external to the community. I know that I've got a lot of feedback



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1 just -- and you would say, well that doesn't seem like that big a deal, but the Public
2 Safety Memorial folks. There are a lot of folks who are very dedicated to raising
3 resources for that project who didn't know what was going on for a long time. I think that
4 they're better in the loop now. But there's a group that in the overall scheme of things,
5 you look at this list and say well okay we can get to them. Well they were very dedicated
6 to doing something and were very upset for a while because they weren't sure where
7 they fit. And so I think it's important to really have a map as to how we keep everybody
8 in the loop and what that loop even looks like.

9
10 Diane Schwartz-Jones,
11 And we have been working with -- and we've worked with them.

12
13 President Knapp,
14 I know. And I know we've gotten to that point. But for a while there was -- and it's fair
15 because you've got a lot of moving parts. You didn't even know what the details were
16 that you were trying to put in front of people. But that's going to be the thing. With this
17 many pieces, this many communities, there's a lot of opportunity for miffs to be created
18 and run a whole course that aren't even close to being right, but you can't get there fast
19 enough to try and put out that fire.

20
21 Diane Schwartz-Jones,
22 We've actually been seeing some of that. Some of what we've been seeing in the letters
23 to the editors, there is a lot of misinformation that we need to get cleared up, because
24 it's not -- none of it -- some of it doesn't even relate to anything that's been discussed.

25
26 President Knapp,
27 Right.

28
29 Art Holmes,
30 And with respect to the reorganization, we are -- Mr. Dice and his folks the one that are
31 going to go to him, we're making sure that we work in a transition phase here to transfer
32 these particular things. There's not just on 1 July blank you have it. It will be something
33 that is worked into the program.

34
35 President Knapp,
36 Okay. Good. Well I think we all look forward to seeing the financing plan and having the
37 next set of discussions. Thank you very much for taking the time; appreciate it. Okay,
38 we now turn to another briefing. As I think my colleagues are aware, in the County
39 Executive's budget recommendations was a proposal to establish a revolving loan
40 program to the Housing Initiative Fund. And there are details of that, which we will
41 discuss in the budget, specifically, as to what the financing means. But I thought it was
42 important to have Council hear broadly what the general plan is, so then we could look
43 at the policy kind of separate and distinct from the actual budget discussion itself. And
44 so that's what our Director of Finance, Jennifer Barrett, is here to kind of walk us



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1 through today so that Councilmembers have an opportunity to be clear as to what the
2 policy change may or may not be, what the financing mechanisms look like, and what
3 the impact will be as it relates to the HIF. And any other questions, so as we start our
4 budget deliberation over the course of the next couple weeks we know kind of where we
5 are. We've also been joined by our Director of Department of Housing and Community
6 Affairs, Mr. Nelson. I don't know; who owns this?

7
8 Richard Nelson,
9 We both own it.

10
11 President Knapp,
12 Okay.

13
14 Richard Nelson,
15 Let me just start off by saying -- and I'm sorry I was distracted while you were giving
16 your introduction, so if I repeat some of what you said. I think the intent in terms of the
17 County Executive's budget submission is to enhance and increase the funding available
18 for affordable housing through the HIF through this new revolving loan program. And let
19 me just say at the outset, we've described it as an acquisition revolving program; I
20 would prefer to call it an acquisition preservation revolving loan program. And the
21 reason for that is that we really are talking about capital expenditures. And the intent is
22 to in fact establish a vehicle that enables us rather than using cash for all of these
23 expenditures, use some bond funding. But the purpose of the expenditures remains the
24 same. In one of the conversations that I was having with the Council President was how
25 does what we propose differ this year from what we did last year or in prior years. And I
26 believe you have before you three examples of programs that we have in fact funded
27 before. And I'm trying to just explain that really there's no difference in terms of how we
28 handle them. First example is one where we in fact provided \$1 million to purchase
29 some condos for MCCH. And over a year and a half time they got some funding from
30 the HUD Section 8-11 program. That money came back to the County. Under the new
31 system, we would use the revolving loan program monies to purchase the condos, we
32 would have replaced -- taken the HUD money to replace it. We also would have taken
33 about \$500,000 from our other HIF monies to put back into the revolving loan fund,
34 because, in fact, the HIF money is still going to be used in many cases to provide GAP
35 financing. There's another situation that I describe where we, in fact, provided funding to
36 purchase 16 units for affordable housing that required rehab. The plans are now
37 underway to in fact rehab the building; and once the building is rehabbed and
38 refinanced, then those -- some of those monies will come back to us and we would have
39 replaced the funding in the revolving loan program. And I mention the issue of
40 rehabilitation; there are some instances where the Housing Initiative Fund is in fact used
41 to provide the upfront financing for rehab of affordable housing units. After the building
42 is in fact rehabbed, then the owner -- nonprofit or HOC or other individual, can go out
43 and get permanent financing. At that time they would repay the loans. So the whole
44 intent is in effect to provide some bridge financing for this particular activity, be it



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1 acquisition or rehab, until the property is permanently financed. And I think it's a creative
2 way for us to be able to increase the amount of resources that we're able to use. It's
3 also a possibility for us as we are looking at preservation and a number of opportunities
4 coming up in terms of right of first refusal. There might be some situations for us to use
5 this funding for that. Or we might even use this funding in terms of some acquisition for
6 some of the foreclosed properties. I think it just adds more tools which the Department
7 of Housing and Community Affairs can use to, in fact, accomplish our goal of increasing
8 the availability and supply of affordable housing. And now I ask Director of Finance to
9 describe the process for funding this program.

10
11 Jennifer Barrett,

12 I think you all have sample list in your packet at circle 1 that I provided to Ms. McMillan
13 last week. This is to provide an overview of the depth structure, because I understood
14 there were some questions about what we were doing differently here. And in fact I
15 have to say that in my tenure in the Department of Finance as Step Manager and Chief
16 Operating Officer and now Director, until Mr. Leggett came on board and said, I want to
17 do this, it just had not come up in terms of using Montgomery County bonding debt
18 issuance to support this activity. I guess the debt issuance was the HOC the County has
19 a bond guarantee program that HOC avails itself of; we're involved with them when they
20 use that. But we hadn't focused on using County resource out of the HIF to secure debt.
21 And I think that part of it came out of Mr. Leggett's very strong commitment to affordable
22 housing. This was the very first thing he talked to me about as we talked about my
23 taking on this role; and also the Council's commitment to a long-term revenue stream
24 for affordable housing. So the obvious solution there is instead of spending out cash,
25 use your cash resources to leverage debt, and then you can have more money
26 available for affordable housing. I kept hearing about properties that were available that
27 were, you know, much more expensive in terms of the amount that would be required to
28 actually acquire them than what was available in the Housing Initiatives Fund. So our
29 simple plan here is to use the resources of the Housing Initiative Fund to issue debt.
30 We're talking about issuing taxable bonds that gives us a flexibility so we don't have to
31 worry about spend down requirements, private use requirements, any of that. It will be
32 taxable. Issuing 25 million each in FY09 and FY10. Because of the revolving nature
33 they will be paid back in about -- it was explained to me that these kind of bridge
34 financing takes 18 months to 2 years to accomplish. So the idea if you issue in '09 and
35 '10 you have money again in '11, '12 and so on. So you basically issue debt in two
36 tranches and then you have a continuing source of money as long as one of our criteria
37 is that there is a repayment back into the program so that it becomes available again for
38 reuse. And that is one of the features of the program. It's consistent. We've talked to
39 bond counsel. It is consistent with Chapter 20, our affordable housing purposes. And
40 even the repayments though must be used for affordable housing. He's been very clear
41 about that. It's subject to appropriation security. It's the structure of the debt that I'm
42 contemplating that makes it not legally viewed as debt of the County like our GO Bonds
43 are clearly legal debt. This is subject to appropriation debt. Yet, because of Montgomery
44 County's reputation and commitment to paying our long-term obligations, we budget it in



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1 the debt service budget along with our GO debt service. And this is very similar to
2 [inaudible] bonds issued by the Revenue Authority, which we make lease payments
3 against, or the certificates of participation that we make, they're called conditional
4 purchase agreement payments. Those also are subject to appropriation. But we put
5 them in the debt service. You approve them in the budget in kind of one stroke. And
6 they're viewed as a very strong credit by the investment community. So it only costs us
7 just a little bit more than our general obligation credit. I structured the budget for this
8 debt it's 20-year fixed rate even payment structure so that the long-term obligation will
9 decrease over time. Yu will be paying off debt as opposed to -- another structure that
10 would be available would be to just use variable rate debt where you're paying interest
11 only, and then you would at some point the repayments would just pay off the debt. But
12 this way, at least at some point, you know that you're moving towards a place where
13 this money now is paid off, but it's still available for the revolving housing purposes. So
14 that is how it's structured in the debt service budget that the Executive recommended to
15 you is these 20-year fixed rate, even payment with the taxable interest rate assumption.
16 The proceeds must be used for capital expenditures not ongoing programs. That was
17 made very clear by our bond counsel. That's also consistent with our fiscal policy. I
18 mentioned that they are taxable, so we have the flexibility and relief from IRS spend
19 down concerns. It's a new program. We met with County Attorney. It can be
20 accomplished under current law. There is no need to change the County Charter or
21 State Law, so that's a positive. And I mentioned it's in the debt service budget. I was
22 asked of folks on how the funds revolve because there may be some uncertainty about
23 that. But I do, and Rick knows this because I ask him when he proposes something
24 new, is what will be my security. How will I know there will be a payback? And it will be
25 through liens on properties of various types of security agreements to ensure that we
26 have a payback. Because I think it's clear that the direction here is that they do revolve.
27 They do get paid back. You could have of course just spend this money and never
28 expect a repayment. But we want to have this continuing source of money available.
29 That was the policy direction given. So we will require that in the disbursements. And
30 then, again, those proceeds as they come back as a repaid, we can use them again for
31 affordable housing purposes. So this is -- meets the Executive's goal of providing a
32 steady stream of capital for affordable housing. And this is a first phase in kind of a two-
33 part program that we've talked about. It's consistent with the Affordable Housing Task
34 Force report, but we're not ready yet to get into the details of the second phase, some
35 kind of an equity program. But this would be the first phase, and it's very achievable
36 within our current parameters.

37
38 President Knapp,

39 Thank you very much. We have a couple of questions. Before we start questions, I just
40 want my colleagues to know we're supposed to be going downstairs for lunch with the
41 Board of Education at 11:30, so just to kind of keep a gauge on time. Councilmember
42 Elrich.

43
44 Councilmember Elrich,



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1 I think this is a really good idea. I'm kind of surprised that we're just now getting into it
2 since revolving loan funds are used all over the country as a way of leveraging money
3 and acquiring affordable housing. The mechanism is a good mechanism. You know, I
4 think you're right on target in thinking that it's about an 18-month to 2-year payback on
5 the projects. I guess the question I had was we had a brief discussion or mention both
6 foreclosure purchases and the interesting list I got from G-Car of the number of
7 properties that were available on the market, not foreclosures, in the below \$200,000
8 range and the below \$300,000 range. And I guess my question is, are you beginning to
9 look at this list of both the foreclosure of market properties to see what kind of
10 opportunities there are; and have we thought about ways of were the County to begin to
11 acquire properties under a mechanism like this where we would be able to put MPDU-
12 like restrictions on the resale? Because it seems to me the value in getting these
13 properties is to be able to put them back out on the market, but also ensure the long-
14 term affordability. It would be more of a scattered site approach, but I think something
15 worth looking at.

16
17 Richard Nelson,

18 The quick answer is yes we have. HOC actually is looking at some because they have a
19 need within their inventory for three- and four-bedroom units. So that's a possibility. One
20 of the things that we're looking at first and before getting to the whole scattered site
21 concept is to see whether or not we have any significant concentration of foreclosed
22 properties in particular neighborhood, and foreclosed properties that might be vacant. If
23 so, there might be an intervention by our department to one, help that neighborhood,
24 and two, in fact then acquire and/or dispose of those properties. And you're absolutely
25 correct that it would be advantageous for us to dispose of them with some kind of
26 requirements in terms of affordability. So that's part of it. But we haven't -- we're looking
27 at those now, and I'm looking at the addresses or getting the addresses of the individual
28 properties that have been foreclosed upon.

29
30 Councilmember Elrich,

31 I think the foreclosure point is really a good one because I mean it's not just an issue
32 here, but I've read a number of articles about this issue around the country. And
33 foreclosed properties are having a real serious detrimental impact on the rest of the
34 neighborhoods and the stability of the rest of the neighborhoods. And they become the
35 sign which people take as a sign of potential economic stability in the neighborhood. So
36 it takes one badly placed mortgage to make people ask questions, well is the rest of the
37 neighborhood going to follow in that same direction. So I think it's more along the lines
38 of the broken-windows approach, you know, that foreclosed properties are like broken
39 windows and we should try to, to the extent we can, utilize them in a better way.

40
41 Richard Nelson,

42 The only cautionary note I would give, and actually we've been having conversations
43 about this; addressing the foreclosure issue in terms of those properties that have
44 already been foreclosed is, in fact, a fairly staff-intensive effort, because you've got to



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1 go out and do a lot of work. The other piece of a foreclosure issue that we're trying to
2 address is the prevention foreclosure. You know, to get to the families before we get in
3 there. So we really have an issue in terms of the resources that we can put into this and
4 where and how, and I'm trying to really come up with a meaningful plan so that we can
5 do both. Because I think both are critical. We can't afford for the neighborhoods to go
6 down because of increasing foreclosures. But by the same token, we can't afford to
7 have more people foreclosed upon because it's just going to exacerbate the problem.

8
9 President Knapp,
10 Before I turn to Councilmembers, I don't know if I told you or at the Affordable Housing
11 Conference, I met with the [person from Annarundle County who is doing exactly that -
12 a foreclosure prevention program that [inaudible] put into place that is trying to identify
13 those folks just before they get there, and then working with the county, which is costing
14 the county money, but is providing a facilitation coordination element. But I've got her
15 card downstairs so I can get you that information. But they were having great
16 successful, at least they were as of a month ago.

17
18 Richard Nelson,
19 Okay.

20
21 President Knapp,
22 Councilmember Trachtenberg.

23
24 Councilmember Trachtenberg,
25 Thank you, President Knapp. Just a few questions, and I believe that, Jennifer, I'll be
26 asking them of you. And I'd like to start with one question that dovetails somewhat to
27 what Councilmember Elrich raised, which is, what is the precedent here and, you know,
28 where has this technique been used? You know, he suggests that it's something that's
29 common practice, and I didn't get that sense based on the research I had done before
30 today's presentation. So I wonder if you could shed some light on that for me.

31
32 Richard Nelson,
33 I can probably do it a little bit better. DC has an acquisition fund. New York City has an
34 acquisition fund.

35
36 Councilmember Trachtenberg,
37 A revolving?

38
39 Richard Nelson,
40 Chicago. There is one in Seattle I believe. There are some that are across the country.
41 We've talked with a number of folks who have been involved in this issue in terms of
42 affordable housing.

43
44 Councilmember Trachtenberg,



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1 Right. So these are local jurisdictions?

2
3 Richard Nelson,
4 Yes.

5
6 Councilmember Trachtenberg,
7 Okay, so it's not a state thing. The proposed taxable bonds clearly wouldn't be the legal
8 obligation of the County, but they'd be subject to appropriation security. So given that
9 we are entering difficult times and no doubt are going to see cuts, do you, Jennifer, what
10 do you think the response will be from the investment community specific to that fact? In
11 other words, I'm trying to, in my mind; see that long term this is something that doesn't
12 create any risk.

13
14 Jennifer Barrett,
15 Yeah. I think we've had -- Montgomery County has been out in the market frequently
16 with this structure, the subject to appropriation structure. I mentioned the certificates of
17 the appropriation and then the revenue authority issue is a conduit issue on our behalf
18 of Medco on the County's behalf with subject to appropriation. They are called lease-
19 backed -- appropriation backed leave revenue bonds that we've done in those schemes.
20 We also have a structure with the metro rail garages that we did for Grosvenor and
21 Shady Grove, where we issued bonds actually -- mainly secured by the revenues of the
22 surcharge fund but with a Montgomery County appropriation pledge to fill up that
23 service reserve fund should there be a problem. So we've been out with this kind of
24 structure. I have -- I'm not really concerned at all of the acceptability of the structure. An
25 even better example though is the bonds that we issued for the conference center twice
26 were taxable bonds with this appropriation back pledge. In this case, they were lease
27 revenue bonds through the revenue authority, but everyone viewed them and knew that
28 Montgomery County was the security behind them. And working with the conference
29 center project, it's just been so beneficial to have the taxable form of debt with all of the
30 various complexities with that project and the private sector presence there. In our
31 taxable debt, we found that the spreads really were not that great over tax exempt
32 because they're looking at the Montgomery County credit. And they're still deductible in
33 for holders who live -- reside in Montgomery County and the state of Maryland, but just
34 on the local income taxes, but not on the federal income taxes. So they still have some
35 advantages even though they're taxable if you're a sophisticated investor and
36 understand those rules. So they'll be marketed in that way, I'm sure.

37
38 Richard Nelson,
39 Can I also add that I think in addition to that Montgomery County is in fact well
40 respected in the investment community for its affordable housing programs. So we -- on
41 the HOC side there's never been a problem in terms of selling bonds because of the
42 commitment of the Council and the County Executive to affordable housing programs;
43 so for all those reasons, I don't think we'll have a problem.



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1 Councilmember Trachtenberg,
2 In terms of future application, how large do we think the purely revolving aspect of the
3 fund would be?
4

5 Jennifer Barrett,
6 Well we're looking to get it to the 50 million mark; two \$25 million bond issues.
7

8 Councilmember Trachtenberg,
9 But beyond that do we have any?
10

11 Jennifer Barrett,
12 There could be some depending on the particular structure of the loan repayments. We
13 have discussed whether there might be some interest revenue that would be added to
14 the pot. But that's small in comparison where we're mainly aiming at that \$50 million
15 structure.
16

17 Councilmember Trachtenberg,
18 Okay. And then the last question I have relates to the underlying capital assets and how
19 they would be priced at a time [inaudible] again when we have lower real estate values,
20 because clearly they underlie the value of the bonds.
21

22 Jennifer Barrett,
23 They actually -- the things we're buying will not be the security for the bonds. We cannot
24 mortgage property in Montgomery County. The security is our commitment to make the
25 debt service payments. And the specifics in the bond documents are that the Executive
26 commits that he will include the debt service payments in his annual operating budget.
27 The Executive cannot commit a Council; nobody can commit a future Council. So the
28 subject to appropriation pledge is on the County Council's side.
29

30 Councilmember Trachtenberg,
31 Right.
32

33 Jennifer Barrett,
34 But the Executive actually does in the bond documents commit to include them in his
35 debt service budget requests, and that's seen as a strong security for the bond
36 repayment. It's not the actual assets themselves.
37

38 Councilmember Trachtenberg,
39 Okay. Thank you very much.
40

41 President Knapp,
42 Councilmember Berliner.
43

44 Councilmember Berliner,
45



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1 Thank you, Council President. A couple of questions, comments. Director Nelson, I
2 appreciate your observation. One, let me say I totally support where you're going with
3 this and commend you for doing so. And, Director Nelson, I appreciate your comments
4 with respect to foreclosure prevention being something that is high on your list, because
5 I do think that is important, and going to become increasingly important. I would like to
6 offer for you a possibility in your toolbox to address this set of issues that as a follow-up
7 of a conversation I had with Deputy Secretary Snugg; about a half-hour conversation I
8 had with him the other day. In which I proposed to him the consideration of a revolving
9 fund -- and Ms. Barrett, I'd like your assistance with respect to this -- for energy retrofit.
10 Recognizing again that in terms of the bills that our homeowners face that utility bills are
11 the second largest obligation that they typical face after the largest obligation after their
12 mortgage. And that the greatest difficulty we have had in addressing this issue is
13 providing an up front cash source for a homeowner to access that would be payable in a
14 long-term but would result in a net-positive cash flow for the homeowner, because their
15 reduction in their utility bill would be greater after the retrofit than the increase cost
16 associated with the "loan." And so if you can come up with a low-cost source of
17 financing that would be tied to the property and paid back much in the same way we
18 used to do sewer hookups, so it could go for as long as thirty years, your payback,
19 because it would be literally a lien on the property tax. So you have the security that you
20 need. You would have a low-cost source of financing. You would be providing relief to a
21 particular subset of the community that most needs help on a long-term basis in
22 reducing their out-of-pocket expenses. We'd be helping the environment. And all we
23 need is that mechanism up front. Now what's different about this than what you have
24 proposed is you have a two-year payback period. This obviously probably would not be
25 able to be structured in that manner. So I need that same creativity which allowed you
26 to get to this place on this program to be thinking about the possibility of a revolving
27 loan fund for energy retrofit of existing homes. And I'd be grateful for your assistance in
28 that regard. It is a conversation that we had begun with the administration. We've begun
29 it with the State. I've had it with Pepco. But we need to be creative and we need to use
30 this model for more than this important public purpose. Ms. Barrett, would you care to
31 make any comment, or would you just like to take this in.

32
33 Jennifer Barrett,

34 We can look into -- I have to point out one difference is that for such a program -- Ms.
35 Trachtenberg asked a good question about the capital assets underlying the housing
36 program. It is important that we're issuing debt and that it is used for capital purposes. I
37 don't think we would issue debt and use it for an operating expenditure such as the
38 retrofit. I know that they have -- .

39
40 Councilmember Berliner,

41 They had a capital expend -- what you would be spending them for is -- if you'll forgive
42 me, and we should have more of this conversation; but you would be spending it for a
43 capital asset. It would have an operating consequence, but you would be buying things
44 with it. The homeowner would be buying, if you will for purposes of this conversation, a



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1 more energy efficient furnace. That is a capital asset. And it would have operating
2 consequences.

3
4 Jennifer Barrett,

5 There may be a portion that's capital. There would be window replacements, insulating,
6 things like that, which are viewed as shorter-term lie -- we'd have to look into it. Another
7 version of the program would be to work rather than us actually being in the process of
8 being in the business of issuing loans and handling repayments, is working with a
9 private institution, a bank or something like that, to subsidize a program or something
10 like, or provide some kind of a guarantee but let them actually do the actual lending
11 work. So we can have some more discussions. I'm going to have to learn some about it.

12
13 Councilmember Berliner,

14 I'd be grateful. One other point I know my colleagues will be taking up as soon as
15 Thursday in the PHED Committee, the discussion with respect to the HIF and the use of
16 the HIF funds. My understanding is that today the way the law is structured is that you
17 are limited to using 20 % -- 80% of the funds must go for the -- for new construction,
18 except there is an override, which I understand can be exercised; and 20% of the funds
19 would be used for the acquisition of existing. My own view is that this is upside down,
20 and that 80% of our dollars ought to be used for acquisition of existing, and perhaps as
21 much as 20% would be used for purposes of building. We should not be, in my
22 judgment, in the building business; we should be doing, as I believe my colleagues are
23 pointing out, taking advantage of the market and buying existing properties. Do you
24 have views with respect to whether or not we should reform our law so that it is more
25 consistent with the policies that we've just discussed?

26
27 President Knapp,

28 I would jump in right there only because we are going to have a much lengthier
29 conversation on that point both before the budget and, I think, after the budget in the
30 PHED Committee and the full Council as to the variety of those things. And so you'll
31 have plenty of time to actually get to that one, and we actually will get a lot of
32 information out in front of Councilmembers and the Executive Branch to try and get --
33 because there's a lot of pieces that have come up. So if we can get back to that one I
34 would appreciate it so we can get to Ms. Floreen to ask her last question. But that's
35 going to be a lengthy conversation that the Council and the committee will have in the
36 course of the next four or five weeks.

37
38 Councilmember Berliner,

39 I will defer to the Council President.

40
41 President Knapp,

42 Thank you, Mr. Berliner. Ms. Floreen.

43
44 Councilmember Floreen,



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1 Thank you. In the category of what a great idea, why don't we do more of this, I have a
2 question. As you know, Jennifer, we struggled over the years to find a transportation
3 funding approach, and we did come up with something secured by revenues from the
4 liquor fund. And those are revenue bonds. Can we do that? Is this an approach where
5 we could look at doing more for transportation initiatives that would be secured by
6 appropriations? Where we're looking at things like -- particularly where we're looking at
7 state projects where we are trying to advance money that we know will get repaid at
8 some point? That's what we've done with Montrose and 355; it's an issue over Georgia
9 and Randolph, Watkins Mill, interchange, things like that are a very important and with
10 the resources out there to challenge to advance those projects despite their tremendous
11 need. Is that in a category of this kind of an approach? If the cost to the County is not
12 that much more as taxable bonds; it's secured by appropriations, which are going to be
13 predictable, and the expectation of a relationship with the state on some of these things,
14 in particular. Would this be worth -- can we look into that some more?

15
16 Jennifer Barrett,

17 We can. Especially if you're assured that it's a payback and the payback is going to be
18 used to pay down the debt or the instrument.

19
20 Councilmember Floreen,

21 Yeah.

22
23 Jennifer Barrett,

24 Rather than be re-spent on something else. And I know we had the conversation last
25 year.

26
27 Councilmember Floreen,

28 Yeah.

29
30 Jennifer Barrett,

31 But there may be some kind of a short-term instrument that you could use that's subject
32 to appropriation, and it's not something that's going to be around long; you're going to
33 pay it back. And so you would view how that affects your affordability differently.

34
35 Councilmember Floreen,

36 Sure. Okay. Well let's continue to think about that, and we will sit down with Mr. Holmes
37 and look at approaches where that might be applied.

38
39 Jennifer Barrett,

40 And the key is those agreements with the State that commit to pay back and I know that
41 that's been problematic because I've been having ongoing discussions as we're waiting
42 to actually issue the liquor revenue bonds.

43
44 Councilmember Floreen,



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1 [Inaudible]. I know. Have we issued any of them?

2
3 Jennifer Barrett,
4 No, we haven't.

5
6 Councilmember Floreen,
7 Not a one?

8
9 Jennifer Barrett,
10 We're advanced on one payment. I have yet to be -- there's only one agreement in
11 place is my understanding.

12
13 Councilmember Floreen,
14 Well, we may be looking -- we're looking at longer and longer term relationships with the
15 State of Maryland given their deficit of funding right now. But if these were tied to that
16 and there was an acknowledgement that, you know, there would be a time when these
17 would be repaid. I think this is something that we need to look into.

18
19 Jennifer Barrett,
20 And explore it.

21
22 Councilmember Floreen,
23 So it's not -- it's possible, you think?

24
25 Jennifer Barrett,
26 Depending on the term and the timing and the certainty of payback.

27
28 Councilmember Floreen,
29 Okay, let's do that. Thanks.

30
31 President Knapp,
32 Excellent. Good questions. Thank you very much for the presentation. The Council is in
33 recess until 1:30. We will now proceed downstairs for a lunch meeting with the Board of
34 Education. Thank you very much.

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TRANSCRIPT
April 29, 2008

MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Michael Knapp, President
Councilmember Roger Berliner
Councilmember Valerie Ervin
Councilmember George Leventhal

Councilmember Phil Andrews, Vice-President
Councilmember Marc Elrich
Councilmember Nancy Floreen
Councilmember Duchy Trachtenberg



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1 Council President Knapp,
2 Good afternoon ladies and gentlemen. This is a public hearing on the following
3 supplemental appropriations to the FY08 Capital Budget and amendments to the FY07-
4 12 Capital Improvements Program. First, Montgomery County Fire and Rescue Service
5 - \$2,700,000 for Fire/Rescue Maintenance Depot Equipment. Action is tentatively
6 scheduled for May 15, 2008. Department of Public Libraries - \$5,000,000 for Silver
7 Spring Library land acquisition. An HHS Committee worksession is tentatively
8 scheduled for April 29, 2008 at 2:00 p.m., right after this. The Department of Police -
9 \$2,392,000 for Outdoor Firearms Training Center. Action is tentatively scheduled for
10 May 15, 2008. And Department of Police - \$3,200,000 for 3rd District Police Station.
11 Action is tentatively scheduled for May 15, 2008. Before beginning your presentation,
12 please state your name clearly for the record. We have one speaker for those hearings.
13 Jim Polk representing Friends of the Library of Silver Spring. We have no Mr. Polk.
14 Okay. We have no speakers for this hearing. This concludes this public hearing.
15 Agenda item 16, this is a public hearing on Expedited Bill 12-08, Personnel - Retirement
16 - Retirement Incentive Program which would provide a Retirement Incentive Program
17 for certain members of the employees' retirement system and generally amend the law
18 regarding the employees' retirement system. A Management and Fiscal Policy
19 Committee worksession is tentatively scheduled for May 9, 2008 at 1:30 p.m. Persons
20 wishing to submit additional comments should do so by the close of business on Friday
21 May 2, 2008 so that your views can be included in the material which staff will prepare
22 for Council consideration. Before beginning your presentation, please state your name
23 clearly for the record. We have two speakers, first is the Joe Adler representing the
24 County Executive and second is Marvin Weinman representing the Montgomery County
25 Taxpayers League. Mr. Adler is first.

26
27 Joe Adler,
28 Good afternoon.

29
30 Council President Knapp,
31 Good afternoon.

32
33 Joe Adler,
34 Mr. President, my name is Joe Adler. I am the Director of the Office of Human
35 Resources for Montgomery County and I'm here to speak in support of Expedited Bill, is
36 it 6-08 that we're on because there's about six of these and I have testimony on all six.

37
38 Council President Knapp,
39 I think that's, well, one of the six. Yes, I think it is 6-08 I think is the one that we're.

40
41 Joe Adler,
42 This would allow service credit with County making employee and employee
43 contributions for employees who are called to active military service for up to five years.
44 This is to conform with state law. Apparently we have not been doing this on a



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1 consistent basis and it was brought to our attention and so this makes us conform with
2 applicable state law. There is written testimony on all of these Bills being passed
3 around.

4
5 Council President Knapp,
6 Okay. Are you done?

7
8 Joe Adler,
9 On that one, yes. I have got a lot of others.

10
11 Council President Knapp,
12 Okay.

13
14 Joe Adler,
15 On, then there is also on the Board of Investment Trustees, the Board of Investment
16 Trustees is responsible for the investment of funds as well as the selection of a vendor
17 for investment options. And this is something, if you all recall, the County refused to
18 bargain over the composition of the Board until we were ordered to do so by the Labor
19 Administrator and that the current legislation agreed, is in agreement, represents
20 compromise on the part of both parties, and this would add three additional members to
21 the Board. Two would be from OPTSLT from MCGEO and one additional public
22 member to the Board of Investment Trustees.

23
24 Council President Knapp,
25 Okay.

26
27 Joe Adler,
28 And the current composition has three members recommended by County employee
29 unions, one IAFF, one by FOP and one by MCGEO. We felt that given the size of
30 MCGEO, which is five times larger than the firefighters or the police, that it makes sense
31 to give them additional representation for active employees. And this also would make
32 the President an ex-officio member of the Board of Investment Trustees. And then
33 there's, we have the third portion of this, the RSP contributions increase for both
34 employees and the employer, the current Retirement Savings Plan for folks hired after
35 1994 is, as mentioned in this morning's news article, 3% County employees, 6% on part
36 of the employer and -- County. This would increase the County share to 8%, so it would
37 go up from six to eight and the employees would go from three to four. So we'll go from
38 9% total contribution for retirement system to 12%, and we felt that this is equitable and
39 it puts us more in line with other jurisdictions in terms of retirement plans. Montgomery
40 County is the only large jurisdiction that has a defined contribution retirement plan for
41 general government employees hired after 1994. This makes it more equitable and
42 makes us, I believe, more able to recruit and retain employees. All of the portions of the
43 plan for this particular one will stay in effect.



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1 Council President Knapp,

2 Okay. Great. Thank you very much. I just wanted to clarify before I turn to Mr. Weinman,
3 I have two pieces of paper. This is actually a hearing on Agenda items both 15 and 16. I
4 read the statement for 16, which is Expedited Bill 12-08. It also includes Expedited Bill
5 6-08, Personnel - Retirement – Amendments, Expedited Bill 7-08, Personnel -
6 Retirement – Amendments, Expedited Bill 8-08, Personnel - Disability Retirement -
7 Group G, Expedited Bill 9-08, Personnel - Fire and Rescue Volunteers - Death Benefit,
8 Expedited Bill 10-08, Personnel - Deferred Compensation – Enrollment, and Bill 11-08,
9 Personnel - Retirement - Benefit Structure - Guaranteed Retirement Income Plan. And a
10 Management and Fiscal Policy Committee worksession is tentatively scheduled for
11 June, June 9? It must be May 9.

12
13 Council Clerk,
14 It is June.

15
16 Council President Knapp,

17 It is June? Okay. June 9, 2008 at 2:00 p.m. Persons wishing to submit additional
18 comments should do so by the close of business on Friday, May 16, 2008 so that your
19 views can be included in the material in which staff will prepare for Council
20 consideration. Before beginning your presentation please state your name clearly for
21 the record. Mr. Adler spoke to those items as well and I now turn to Mr. Weinman.

22
23 Marvin Weinman,

24 Well, let's have a little budget humor, if you like. It's the Wizard of Id. He said I'm
25 pleased to announce I have balanced the budget and the first citizen says, what does
26 that mean? And the second one says he spent every dime we gave him. It's just a little
27 light.

28
29 Council President Knapp,

30 Always good to have a sense of humor through budget season.

31
32 Marvin Weinman,

33 On the light side. If you take a look, placing the personnel issues in line with the budget,
34 we realize that the significant impact that has potential, so the real issue is, goes
35 beyond the personnel and the increases, but to the budget. The first chart you have is
36 basically the budget for '09, and what it shows is that you're at 14.7% for the property
37 tax previously from last year's budget that was projected at 3%. If you take a look at '10,
38 it is 3.7% that they project. If you look to FY11, it is 1.7%. If anybody believes those
39 numbers in the out years, you know, I don't know where they are. We only do one year
40 budgeting, and then we come up and declare success and move on. How long have we
41 been looking at things like this? If you take a look at the next letter that I have, I was on
42 the workforce sustainability taskforce and I wrote a , another view letter, Mike Subin
43 Chaired this, I was the only non-union or non-County employee on it. It was made clear,
44 however, that related to the aspects of contract negotiations, they would be not part of



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1 the discussion. That was brought up by Gino Renne. We weren't allowed to talk about
2 that. But there are four recommendations that go with it, and they may resonate, they
3 may not. Negotiations agreements are the greatest impediment to workforce
4 sustainability and you can go on from there. Changes in step and other salary, increase
5 processes, the current step process, increase steps each year and has resulted in a
6 significant percentage of County employees being at the maximum salary level and the
7 answer, the process needs to be reviewed for options extending the period for an
8 employee to reach the maximum salary level. Negotiating a reasonable GWA, and we
9 really don't have an understanding of where those numbers come from and how we
10 reached that. They seem to have a lot of variance, and the other issue was the freeze of
11 cost benefits.

12
13 Council President Knapp,
14 There are a couple of questions Marvin, so I think you'll probably get an opportunity to
15 finish up. Mr. Elrich.

16
17 Councilmember Elrich,
18 My question is to Mr. Adler, and it was, you said that compared to other jurisdictions,
19 your last comment about the increased contribution, that we needed to do this to be
20 competitive with other jurisdictions, I was just wondering whether you could, over the
21 next couple of days, just so, before we get to action, provide us comparison between
22 ourselves and other jurisdictions and what the meaning is of the type of contribution
23 plan we have versus what it means to be an employee in other jurisdictions with a
24 different compensation plan.

25
26 Joe Adler,
27 And this is on retirement plans?

28
29 Councilmember Elrich,
30 Yeah.

31
32 Joe Adler,
33 Okay.

34
35 Council President Knapp,
36 Okay. Great. Mr. Leventhal.

37
38 Councilmember Leventhal,
39 Marvin, I appreciate your testimony, although you didn't have a lot of comments on
40 these Bills that are actually before us, but let me ask Joe Adler.

41
42 Marvin Weinman,
43 Well, I have a sheet which you have.



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1 Councilmember Leventhal,
2 Okay.

3
4 Marvin Weinman,
5 And you can look at that.

6
7 Councilmember Leventhal,
8 Okay. Joe, on a couple of these things, the legislative changes are being made in
9 response to the Labor Relations Administrator or the arbitrator and, just, I mean, all of
10 us are going to school on how the collective bargaining laws work, so just as an object
11 lesson, I'm not suggesting that this will occur, but just so we understand, Expedited Bill
12 6-08, the County was required to bargain over the composition of the Board of
13 Investment Trustees by order of the Labor Relations Administrator, and what if the
14 County Council doesn't go along? I mean, the County is obligated to do something
15 about County, but we're the County legislature and if we don't do it, then what?

16
17 Joe Adler,
18 If the Council refuses to implement a portion of what was negotiated or agreed to, then
19 the, obviously we get a note from you all saying this is the reason why we rejected this,
20 MCGEO, or whichever bargaining had negotiated the clause has a right to go back to
21 the table. And at that point, if we go to that process, the Council would also appoint a
22 representative who would come to the, be at the bargaining table and explain its
23 reasons and we sit down and try to renegotiate that particular clause.

24
25 Councilmember Leventhal,
26 That is really interesting. Thank you. Now, just to follow up on Mr. Elrich's question, are
27 you saying that other jurisdictions have defined benefit plans?

28
29 Joe Adler,
30 Yes.

31
32 Councilmember Leventhal,
33 Every other jurisdiction around?

34
35 Joe Adler,
36 Every other.

37
38 Councilmember Leventhal,
39 Fairfax, D.C., Prince George's?

40
41 Joe Adler,
42 Yes. For general government employees. We're the only jurisdiction that went to, the
43 ones that have, some of them, some of the more rural ones have zero.



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1 Councilmember Leventhal,
2 Okay.

3
4 Joe Adler,
5 But the ones that have employee pension plans, they're mostly defined benefit plans.

6
7 Councilmember Leventhal,
8 Okay, and it would, so it would be helpful, and I agree with Mr. Elrich, if you could
9 explain what does that mean, average, ordinary examples in dollars and cents? What is
10 the difference between those of us who are in a defined contribution plan, how much
11 are we likely to get out? Obviously there is a lot of assumptions about investments and.

12
13 Joe Adler,
14 Yes.

15
16 Councilmember Leventhal,
17 You know, interest rates, and where you put your money. There is no certainty there.
18 But just, if you could, you know, an average case of someone, mid range, entered
19 County service this year, retired after this year. Just make an example. We're getting a
20 lot of questions from the public about employee compensation and benefits, and we
21 need, especially since I understand that you are here strongly defending the negotiated
22 agreements that the County Executive was a party to, we need some object examples
23 of what do people make? What are they getting on retirement in the County work force?
24 There is a lot of misunderstanding out there. So we need your help to give us those
25 statistics. And then my last question, on Expedited Bill 6-08, we're going to increase the
26 County's share in the defined contribution plan to 8% of salary. Will that apply to elected
27 officials?

28
29 Joe Adler,
30 The elected officials are under the elected officials' plan.

31
32 Councilmember Leventhal,
33 Different plan.

34
35 Joe Adler,
36 Different plan.

37
38 Councilmember Leventhal,
39 So it would not.

40
41 Joe Adler,
42 That's correct.

43
44 Councilmember Leventhal,



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1 It would not apply to the State's Attorney.

2
3 Joe Adler,
4 There was a special Bill for the State's Attorney.

5
6 Councilmember Leventhal,
7 No, no, I'm not asking about that Bill.

8
9 Joe Adler,
10 It would not apply, right.

11
12 Councilmember Leventhal,
13 Under current circumstances, it would not apply.

14
15 Joe Adler,
16 Right. Because that is the elected officials plan and is not the employee, the RSP, the
17 Retirement Savings Plan which is what most.

18
19 Councilmember Leventhal,
20 The Bill that I read about this morning wasn't described in the paper as a special Bill for
21 the State's Attorney, it was described as a Bill for anyone who was in County service
22 and then ran for office. Is it only who runs for State's Attorney?

23
24 Joe Adler,
25 This is, if you are, and he was in the old, he wasn't even in this plan.

26
27 Councilmember Leventhal,
28 No, he was in the old plan. Right. The defined benefit plan.

29
30 Joe Adler,
31 And he had to then to into the elected officials plan by.

32
33 Councilmember Leventhal,
34 Voluntarily, of his own choice.

35
36 Joe Adler,
37 He didn't have a choice. The legal opinion was.

38
39 Councilmember Leventhal,
40 No, no, I mean, he voluntarily ran for State's Attorney, right?

41
42 Joe Adler,
43 He ran, yes, that point is true.



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1 Councilmember Leventhal,
2 No one compelled him.

3
4 Joe Adler,
5 Yes.

6
7 Councilmember Leventhal,
8 To run for State's Attorney.

9
10 Joe Adler,
11 And then, so he is in that plan, and that plan is separate from the RSP which is, even
12 though it has some of the similar provisions, most government employees.

13
14 Councilmember Leventhal,
15 But the 8% would not apply to elected officials.

16
17 Joe Adler,
18 Correct. Unless, staff, yes.

19
20 Unidentified
21 Yeah.

22
23 Unidentified
24 It would apply for.

25
26 Joe Adler,
27 Yes. Yes. Yes.

28
29 Councilmember Leventhal,
30 So what is the County's contribution for elected officials?

31
32 Joe Adler,
33 It is 6%. It is the same as it is currently, six and three. So, 3%.

34
35 Councilmember Leventhal,
36 So, by voting for this Bill, we would further the imbalance between elected officials and
37 career County employees.

38
39 Joe Adler,
40 You all can make changes, you know, this is, the Council is free to make any legislative
41 changes it wants.

42
43 Councilmember Leventhal,
44 And the State's Attorney is getting 6%?



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1
2 Joe Adler,
3 Correct.

4
5 Councilmember Leventhal,
6 Thank you.

7
8 Council President Knapp,
9 Council Vice-President Andrews.

10
11 Councilmember Andrews,
12 Thank you, President Knapp. Well, Marvin, thank you, Mr. Weinman, thank you for your
13 diligence and continued weighing in on these issues. The information you provide is
14 helpful, and.

15
16 Marvin Weinman,
17 May I introduce the four sheets, just to take one minute.

18
19 Council President Knapp,
20 If you just, I'm actually going to ask you to follow-up.

21
22 Councilmember Andrews,
23 Right. I know that Council President Knapp had a follow-up and I had a follow-up for Mr.
24 Adler. So, you'll have an opportunity in just a minute. But my understanding of the
25 collective bargaining process is, if a change is required to take effect, if Council action is
26 required for a change to take effect, whether it is appropriation or legislative change, the
27 Council always has the option to say no.

28
29 Joe Adler,
30 Right.

31
32 Councilmember Andrews,
33 And no matter how many times it comes back to us, we can keep saying no if we think
34 that is the right answer.

35
36 Joe Adler,
37 Ultimately you are the final arbiter of what goes on.

38
39 Councilmember Andrews,
40 That's what I thought. Okay. Thank you. On the Bill that would expand the membership
41 of the Board of Investment Trustees, you made, in your statement, you noted that given
42 the size of the MCGEO bargaining unit, which is approximately five times as large as
43 the membership in either the police or fire bargaining unit, adding two representatives
44 from MCGEO, two additional representatives to the Board makes sense in your view.



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1 That's what you said here. I am aware that the number of retirees is actually larger than,
2 slightly larger than the number of members in MCGEO, and we've received
3 communication from the Retirees Association noting that there are more retirees than
4 there are active employees in MCGEO, and yet the representation would be greater, is
5 greater now and would be greater in the future. So wouldn't logic suggest that if the
6 Board were to be expanded in this way that there be an increase for retirees as well?

7
8 Joe Adler,
9 Except that the difference between active employees, and there is already a retired
10 employee representative on the Board of Investment Trustees.

11
12 Councilmember Andrews,
13 There's one, right.

14
15 Joe Adler,
16 And they are guaranteed a certain level of benefits that they are receiving from the
17 County regardless of how perhaps the investments fare. In terms of active employees,
18 the amount that the employees might contribute, the amount of monies available for,
19 ultimately for disbursements in pension annuities would, depends on the investment
20 choices made by the Board and has we believe much more of a compelling interest for
21 active employees to be represented and perhaps the same level of interest is not there
22 because, again, the retirees are not contributing any portion of their salary. They
23 already are getting a retirement allowance Active employees, the site that I just
24 mentioned, must contribute and then the amount of monies that the County puts forth
25 for ultimately what goes into the pension plan then takes away from what may otherwise
26 be available for, perhaps for benefits or employee increases, so that we believe that the
27 active employees have a tremendous stake, or interest anyway, in making sure that the
28 investments are producing the highest amount of returns with the least amount of risk.

29
30 Councilmember Andrews,
31 The retirees seem to think that they have a strong interest in this as well. What
32 percentage of the funds in the retirement system that are managed by the Board of
33 Investment Trustees are coming from the public?

34
35 Joe Adler,
36 [Indiscernible] that the County contributes as the employer? I don't have those, I can get
37 you those, I believe probably overwhelming, I mean, probably better than 50%, 60%,
38 probably, just in terms of the ratio of what the employees contribute and what the
39 employer contributes.

40
41 Councilmember Andrews,
42 Right. Well, given that.

43
44 Joe Adler,



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1 We can, I can get you that number.

2
3 Councilmember Andrews,
4 Let's get that.

5
6 Joe Adler,
7 From the.

8
9 Councilmember Andrews,
10 I am aware it is more than half. I think it's a lot more than half. But wouldn't the logic
11 suggest that there should be additional public members as well then, given the interests
12 of the public and the dollars that are invested in that fund?

13
14 Joe Adler,
15 We are recommending one more public member in addition to the ones who are already
16 present. So this would be two additional union members from MCGEO and one public
17 member.

18
19 Councilmember Andrews,
20 Right. But given the ratio, why wouldn't you have a different ratio? The ratio of
21 investment. I raise it as an issue that I think will be important to discuss when the
22 legislation comes up. I'm not convinced that the Board should be expanded at all, but if
23 it is to be expanded, I question why it would be expanded in the way that is proposed in
24 June, is it in June?

25
26 Council President Knapp,
27 Yeah.

28
29 Councilmember Andrews,
30 So we'll have time to look at this in terms of the legislation. But if you can get back to the
31 Council with information about where the money comes from for this fund, I think, for the
32 retirement fund, I think that would be helpful.

33
34 Council President Knapp,
35 Okay. And I think, and MCGEO will have an opportunity to participate before we get to
36 that part of the actual legislation itself in June.

37
38 Unidentified
39 I appreciate that. Thank you.

40
41 Council President Knapp,
42 Okay. Mr. Weinman, I just wanted to follow up. As you were getting to the point as it
43 relates to the other pieces of legislation that we had before us, I just wanted to see what
44 your comments were on those.



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1
2 Marvin Weinman,

3 Well, yeah, just four quick sheets. I'm not going to go into detail. One is a letter I wrote
4 to you and Marilyn and Phil at the end of the session last year saying we should be
5 making changes in the process of doing the budget. The sheet that I have, the main
6 point here is the 2% increase from 6% to 8% is really a 33.3% increase, not a 2%
7 increase. So recognize that, 8% over 6%, right.

8
9 Council President Knapp,
10 Right.

11
12 Marvin Weinman,

13 Simple math, that is the most important thing. And the other thing is the bargaining
14 agreement for the firefighters is, still has to be reviewed, I'm assuming, and hopefully
15 we'll see some of that. Okay. This is sort of important because this is what Steve Farber
16 talked about. This is the exit survey that is conducted by County government, and if you
17 look at it and read it, you'll find that salary and compensation is not one of the major
18 issues of why they left, and I suggest that maybe you get a copy and take a look at it,
19 and then you can evaluate how good or how bad Montgomery County is in their salary
20 and compensation. And the last sheet that I have is the PMR, and the PMR, I take it and
21 break it down and you might want to look at it and you can get an idea of some of the
22 benefits. One individual gets \$130,000 in benefits and so on, and it has got some
23 interesting information on it and I'll be glad to follow up on some of the things later.

24
25 Council President Knapp,
26 Okay.

27
28 Marvin Weinman,
29 Thank you.

30
31 Council President Knapp,

32 Thank you very much. Mr. Adler, I just wanted to follow up on the Vice-President's
33 question as it related to, the Council has an ability to say no to whatever element of the
34 contracts may present themselves, but you talk about, in response to Mr. Leventhal's
35 question, as it relates to the process, that if that Council chooses not to fund something,
36 then it goes back to.

37
38 Joe Adler,
39 To bargaining.

40
41 Council President Knapp,

42 To the bargaining table, but then the Council has a representative in that process or has
43 someone at the table just to state why it was opposed to it?



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1 Joe Adler,

2 Apparently, as far as I know this has never been done, so it is open to interpretation, but
3 according to the collective bargaining law, the Council then sends a representative to
4 the process to explain, perhaps, you know, what its reasons were for not accepting that
5 portion. It is not clear as to what the other, whether that person can bind the Council,
6 which they probably cannot, at the table, so I would assume that the reason for the
7 Council's rep is to explain further and perhaps to hear the other side. But again, since
8 the negotiations are between the employer, which in this case is the administration.

9
10 Council President Knapp,
11 Right.

12
13 Joe Adler,

14 That that would be the role of the Council rep, you know, because the Council again, we
15 can bind the Executive after we get agreement, but the Council rep could not bind the
16 Council.

17
18 Council President Knapp,
19 Right.

20
21 Michael Faden,
22 Just to supplement the facts, it actually has occurred twice.

23
24 Council President Knapp,
25 Okay.

26
27 Michael Faden,
28 Once the Council selected an outside representative and once the Council sent a staff
29 member, as Mr. Adler said, the law says the role of the Council representative is to
30 explain why the Council took the action it did. And then the parties go to bargaining.

31
32 Council President Knapp,
33 Okay. So then the Council, once they've explained, is no longer a part of the
34 discussion?

35
36 Michael Faden,
37 No. In fact, what has happened is that the Council rep continued to sit in, but did not
38 take an active part in the one case where there was bargaining, the other case, same
39 case, there never was any subsequent bargaining, all of the parties talked off line.

40
41 Council President Knapp,
42 Okay. Great. Thank you very much. This concludes this public hearing. I understand
43 that we have someone from our first public hearing as it related to, get the right piece of
44 paper here. Friends of the Library of Silver Spring, Mr. Polk. Anyone from Friends of the



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1 Library of Silver Spring? Okay. We have one speaker. Okay. No, you have to push the
2 button. There you go. There, that turns on the microphone. And introduce yourself for
3 the record and you have three minutes.

4
5 Elizabeth Klonklin,

6 My name is Elizabeth Klonklin and I represent the Friends of the Silver Spring Library,
7 the Silver Spring Library Advisory Committee, and the Community for a new Silver
8 Spring Library. I thank you for this opportunity to speak. We were waiting downstairs
9 when you addressed the issue up here. I also thank you for the Council's historic
10 support for the new Silver Spring Library. We very much appreciate it. As you know,
11 from the testimony provided during the CIP hearings in February, each of these, the
12 groups, Friends of the Library, the Library Advisory Committee, and the Committee for a
13 new Silver Spring Library cares passionately about meeting the need for a library
14 adequate for our ever growing, urbanized, diverse, and vibrant community.
15 Unfortunately, when members of the Silver Spring community turn to the library, they're
16 lucky if they're able to get time on one of the 11 computers available, even after waiting
17 an average of one hour, or they're forced to go to a library further away, usually by
18 driving, to access larger collections, and when our children turn to the library, some
19 days there is space for them and the wonderful activities designed to enrich them and
20 other days there is no space. The norm at the current library continues to be that
21 patrons and staff feel like sardines. A new adequately-sized library is critical, and the
22 first step is to complete the acquisition of the land upon which that library will be built. If
23 this process had moved more quickly at any point in the past 10 years, the price of the
24 land would have been less. The parcels of land that need to be bought have not
25 changed. But the price of each continues to rise as downtown Silver Spring continues to
26 thrive. If we wait any longer, the price of the land will only continue to climb. We strongly
27 recommend that the Council approve the \$5 million needed to purchase the land so that
28 we can move forward with our long-awaited new library and can avoid higher land
29 purchase costs in the years to come. Silver Spring's need for a new library will only
30 continue to grow.

31
32 Council President Knapp,

33 Okay. Thank you very much. Good timing. This concludes this public hearing. And our
34 final public hearing for the afternoon is Agenda item 17, this is a public hearing on a
35 Supplemental appropriation to the FY08 Operating Budget of the Montgomery County
36 Public Schools in the amount of \$3,500,000 and a categorical transfer of \$350,000 for
37 the Provision of Future Supported Projects. Action is scheduled following the hearing.
38 Before beginning your presentation, please state your name clearly for the record.
39 There are no speakers for the hearing. We now actually move to action. I would turn to
40 the Chair of the Education Committee for any rEMOCs that may relate to the
41 supplemental before us.

42
43 Councilmember Ervin,

